How do you think the June 4th movement of 1989 will be remembered—as another May 4th 1919, the threshold of a period of general political awakening and turbulence, or instead as a Chinese version of 1848 or 1968 in Europe: a last spontaneous explosion of idealistic revolt, followed by a headlong pursuit of material consumption, and complacent institutional stabilization—the very opposite of the spirit of the explosion?

Wang Dan: I think the June 4th movement can be seen in either way, according to the time-frame we take. If we look at its background, it was more like a political awakening, that started with the intellectual ferment of the preceding year, when hopes were already stirred among academic circles that major changes were possible in China. On the other hand, if we view the movement as it developed, it is clear that it was a cultural rebellion by young people in an atmosphere of euphoria and revelry. The actual reality was a mixture of these elements.
Li Minqi: I believe that the mainstream analysis of the democratic movement of 1989 has typically failed to take into account the relations between different social classes in China at the time—especially the tensions between intellectuals and students on the one hand, and urban workers on the other. These were critical for its ultimate failure.

For the Communist régime that emerged in China after the 1949 revolution had a contradictory character. It was not the working class but a privileged bureaucracy that controlled political and economic power—in Marxist terms, New China remained an exploitative society. But the People's Republic of China (PRC) was not just an oppressive régime. It was the product of a genuine social revolution that mobilized broad layers of the people. So, to some extent, it had to reflect their material interests and values. Urban workers gained real socio-economic rights—to employment, food, health care, education and housing. In a more limited way, peasants benefited too. But the problem was that this combination was unstable. Theoretically, two solutions were possible. One was a deepening of the revolution, allowing workers to win effective control over political and economic power. The other was a consolidation of the rule of the bureaucracy, allowing a new privileged class to deprive workers of their economic and social rights, along a path of outright capitalist development. It was the second process that actually took place.

In the 1980s, workers' rights were steadily eroded as the bureaucracy started to impose ‘scientific management’ in state-owned factories—in effect, capitalist-style work-discipline—and to break the ‘iron rice bowl’ of secure employment. Naturally, the result was growing resentment and discontent in the big cities. But this could find no political outlet. For the Maoist ideology of the Cultural Revolution had been discredited, and no alternative vision of socialism was available. In practice, the Chinese working class was unable to act as an independent force in defence of its own interests. Instead, from the mid-1980s onwards, there developed an enthusiastic consensus among Chinese intellectuals in favour of free-market capitalism: leftist voices were virtually unheard-of. The result was that popular discontent found expression in a democratic movement led not by ordinary working people, but by intellectuals and students committed to a system quite foreign to them. Of course, this made any active and effective mobilization of the great mass of urban workers ultimately impossible. But without their participation, the movement was doomed to failure.

Wang Chaohua: Surely the question is rather about how future history will remember the movement of 1989? So we have to consider what has actually happened in China since. From this perspective, I would be inclined to admit—unhappily—that June 4th looks less similar to May 4th than to the 1848 revolutions and the 1968 student revolts in Europe. For, however we define the nature of the conflicts in 1989, we
can hardly deny that their aftermath has been a strengthening of the existing political régime and a widespread turn away from idealistic questions to a pursuit of consumerism. This amounts to a kind of compromise between material betterment and political oppression. This is the basic trend of the whole society.

Wang Dan: I stand by what I have said, but I would make a distinction between the process and the result of 1989. The movement itself can indeed be compared with May 4th, as both a political awakening and a social revolt. But I agree with Chaohua that its effects have been more like those of 1968 in Europe. We have to register both aspects.

Li Minqi: I believe the failure of the 1989 democratic movement actually paved the way for capitalist development in China. To unleash full-blown capitalism in China, workers had to be deprived of the extensive social and economic rights they enjoyed after the 1949 revolution. The problem was that they would not accept this voluntarily, but lacked the political organization and ideological confidence to impose any other direction. Meanwhile, there was another force, intellectuals and students, which was capable of acting in its own interests. They agreed with the government on the economic future of the country—both wanted capitalism—but disagreed on the distribution of political power. Although the aims of the intellectuals were actually against the interests of the workers, the urban masses had little choice but to rally to the democratic movement led by them, which was, after all, directed against their present—as opposed to potential—oppressors.

Popular participation in the revolt did threaten to undermine the project of capitalist development. But the failure of the movement ensured that, for a long time, the Chinese working class would not be able to act as a collective political force, independently or otherwise. In the 1990s, scattered labour protests have continued, but broad political opposition to capitalist reform is not on the agenda. In this sense, the outcome of the June 4th movement has been not unlike that of the 1848 revolutions in Europe. In France, the uprisings in Paris eventually led to the establishment of the Second Empire. The Bonapartist régime, claiming to be a state above all classes, went on to lay the foundations for capitalist prosperity in France. In fact, we could actually extend the comparison, since we know that, in reality, the principal social basis of Bonapartism lay in the French peasantry. So too, at least in the initial stages of capitalist reform in the 1980s, the Chinese peasants were the main social support of the Deng régime. In 1989, the peasantry played no role in the democratic movement, and their neutrality was a critical factor in its defeat. It will be interesting to see whether the current Chinese régime will go the way of the Second Empire, which was eventually replaced by a stable bourgeois democracy under the Third Republic, or will break down in some quite different way.
Wang Chaohua: I agree with your comments on the role of the peasantry. But your account of the situation of the working class is much too simple. Official ideology at that time was still very uncertain and confused over the issues of urban economic reform, the future of state enterprises, and the social status of the working class. There was no complete ideological conversion to capitalism by the Chinese Communist Party (CCP). So the working class inevitably lacked a clear orientation. Workers tended to swing between the legacy of a residual Maoism and the thoroughgoing liberalism advocated by students and intellectuals. They did not yet feel that official ideology wholly failed to represent them, and they were still unsure whether the intellectuals’ ideology could represent them better. I believe the main body of the urban working class was caught between these impulses. In 1989, it acted mainly in support of the students—who were not, in their eyes, or indeed in reality, the same as the intellectuals. Only rarely did workers attempt to voice their own demands.

Li Minqi: It is true that the official ideology of the CCP in the 1980s was not yet free of Maoist residues—it was still in transition to a fully-developed capitalist outlook. But, already, the changes were far-reaching enough. The economic reform had handed greatly increased powers to the managers of the state-owned enterprises, stripping workers of much of the informal control they had once exercised over the labour process, and introducing Taylorist methods instead. Changes in health care, in housing, and wage contracts were all helping to develop capitalist-style economic relations. The direction of development was clear. When Milton Friedman extolled the free market and full-steam-ahead privatization to Zhao Ziyang as General Secretary of the CCP, Zhao had not a word of objection. Other party leaders might differ from Zhao on specific points, but no one seriously challenged the basic direction of reforms set by Deng Xiaoping.

Wang Chaohua: The authorities were indeed trying to float various ideas and put into practice market-oriented policies. But urban residents and workers were resistant to many of these proposals. They were suspicious of moves to dismantle housing benefits and public medicine, and they could use the formal ideological commitments of the régime—its traditional socialist ideology—as a resource in resisting them. The very point you insist on, that the outlook of intellectuals didn’t well represent the interests of the working class, ensured that the consciousness of workers swung between the two poles. Workers were unwilling to discard the whole legacy of the People’s Republic in favour of the liberal agenda advocated by intellectuals. That is why they kept arguing in the All-China Federation of Trade Unions over whether they should give up their—theoretical—status as the ‘masters’ of state and society.

Wang Dan: I disagree with the view that a contradiction between workers and students was a significant reason for the failure of the
June 4th movement. This idea lacks any basis. I have never seen any evidence for tensions between the student headquarters in Tiananmen Square and the Autonomous Association of Workers that could have affected the movement. There’s no reason to think that the political proposals of the students and intellectuals were in conflict with workers’ interests. They were inspired by a liberalism that would have created a social environment beneficial to all social strata. Actually, there could be no opposition between the two forces, because the workers didn’t have any definite proposals of their own. During the late 1980s, intellectual and student groups already had clear ideas about the reforms that Chinese society needed, which included draft programmes published in periodicals like the World Economic Herald, covering the reconstruction of the state as well. These were the product of stable groupings of reformers. But among workers you can’t even find one such group in the whole movement of 1989. Of course, outfits like the Autonomous Association of Workers surfaced, and even the All-China Federation of Trade Unions discussed the situation. But there was not a single mature programme or organization. In the absence of any form of such organization, discussion of the relations between students and workers in 1989, as if there were an important dynamic at work between them, lacks all sense of reality.

Li Minqi: Intellectuals perform mental rather than physical labour, which makes it easy for them to articulate their own material interests. Workers are typically manual labourers, trapped in oppressive conditions that make it much more difficult for them to explain their viewpoint in a systematic way. But this does not mean they lack interests which are different from those of other social classes, and have no immediate demands or desires based on them. Historically, progressive intellectuals have often played a role in helping to bring these demands to theoretical expression. In 1989, however, there was no longer any progressive segment of the intelligentsia in China, distinct from the pro-capitalist mainstream, capable of developing ideas or proposals in the interests of working people.

Do you believe the fatal outcome of the movement of 1989 was more or less inevitable, or do you think, with hindsight, that it could have been avoided? If so, how?

Wang Dan: Circumstantially, I think the outcome was inevitable, since, by the end, the biggest argument in the movement was simply over the question: should the students withdraw from Tiananmen Square? What would happen if we withdrew? What would happen if we didn’t withdraw? Historically, one can’t make hypothetical projections in such cases. Even if the students had withdrawn from the Square, we don’t have enough evidence to know whether the result would have been more peaceful or the conflict even sharper. Once Zhao Ziyang lost power, the authorities’ attitude towards the
students was clear-cut—an eventual show-down with the government was inevitable. How could we have changed that? At best, we might have reduced the intensity of conflict and altered the timing of the outcome.

Li Minqi: My opinion is just the opposite. Circumstantially, the immediate upshot was probably avoidable, but if we consider the entire historical context, the defeat of the movement was inevitable. To understand this, we need to consider the situation of Chinese intellectuals at the time. Traditionally, they belonged to the highest layers of society. But, after the 1949 revolution, they lost most of their inherited privileges, and in the Cultural Revolution they suffered greatly. In a general sense, any Chinese intellectual—the same was true in the Soviet Union or Eastern Europe—could understand that they would be better off in a capitalist than in a state socialist society. So it is not surprising that, in the late eighties, most intellectuals championed a capitalist path for China. But since we know that intellectuals can, under certain historical conditions, transcend their own immediate interests and try to analyze society from a wider standpoint, this in itself isn’t a sufficient explanation of the role they played in 1989. Here we have to remember the particular history of the PRC, in which they had been the primary victims of successive Maoist ‘campaigns’, and learnt to be afraid of any mass mobilization. This was a historical burden under which a whole generation of Chinese intellectuals laboured.

Under Deng, however, the rulers of the country needed to free themselves from the inhibitions of their Marxist past and equip themselves with modern bourgeois ideology. This objective necessity was especially urgent in the field of economics. So a subtle, though still fragile, symbiosis started to develop between rulers and intellectuals. Both wanted to see capitalist development. But the intellectuals were unhappy with their political position, and wanted greater power, so they began to demand more liberty and democracy. But although they needed a certain level of democratic movement to win political concessions from the government, they never sought an active mobilization of the working class. This was their limit, and the movement they led suffered from it. The intellectuals were not ready to take resolute measures to win the democratic struggle, and the workers—lacking a political force or vision of their own—were not in a position to push them to a more consistent strategy. In this sense, the failure of the movement was predictable.

Wang Chaohua: My own view differs from both of yours. I believe that, circumstantially, the movement could potentially have led to alternative outcomes. This is a conviction based on my personal experience, as Wang Dan knows. The hunger strike that escalated the conflict with the government in mid-May was not inevitable. Indeed, it was never approved or voted by the Beijing Autonomous Students’ Union. It was a personal initiative of one group of leaders, opposed by
others. Had a different line been adopted at that moment, the outcome of the movement could have been less disastrous. This does not mean—here I differ with Li Minqi—that a straightforward success was conceivable either. He considers just two possibilities: the disastrous actual result, and a hypothetical triumphant outcome of the democracy movement in 1989, depending on whether or not the workers were adequately mobilized. But I always believed there was always another possibility: neither a full success nor a complete disaster, but a political compromise. This possibility was not at all out of reach. Why was it not realized, nor any other alternative outcome? In my view, one significant reason was an over-optimism among intellectuals.

At the end of the 1980s, the rulers of China had not yet completed a transition from the exercise of political power to the acquisition of economic capital. There were still many internal conflicts within the official ideological sphere, as capitalist-oriented developments gathered pace. So workers could continue to feel their position had some protection in a nominally socialist régime, and the likelihood that they could be strongly mobilized against it was rather slim. On the other hand, a compromise between the rulers and intellectuals was not impossible, even if the likelihood was against it. By the late 1980s, intellectuals had been the main driving force of the whole reform period, while the authorities were often hesitant and divided. But this made the intellectuals over-confident, so that, when the crisis came, they had little inclination to stop mid-way. The result was inevitably disaster.

Wang Dan: I will answer both of you. Li Minqi has said that Chinese intellectuals wanted to recover their privileged position in society. But, if we consider the actual character of the movement in 1989, its main body was made up of students. It was they who took the final decisions on most critical issues, such as the launching of the hunger strike. The question of whether or not to withdraw from the Square still lay in the hands of students. In fact, the Union of Intellectuals eventually urged the students to pull out of the Square, but their proposal was rejected by the hunger-strikers. It was students who determined the issue. So let's look at their role in the movement. What were their aims? Were they—or the intellectuals—pursuing power or freedom? These are two different things. If they were seeking power, then it was no doubt a political mistake on their part not to mobilize the workers. But they made no attempt to do so. What this shows is that, on the contrary, the intellectuals were not intentionally trying to win back a privileged position. The students, for their part, did not have a strong power-political consciousness or even orientation. They were young people rebelling against a dictatorial culture. They wanted an atmosphere of freedom, in which they could say and do what they wanted within the confines of the law. This was the kind of life experience that mattered to them. It never occurred to them to mobilize workers or form secret
organizations. They didn’t even want to think about practical strategies. Why didn’t students combine with workers? Just because this was a pure student movement—that’s the proof of it.

Nor do I agree with Wang Chaohua’s remarks. There were many key turning-points in the whole movement—the marches, the dialogue with the authorities, the hunger strike, whether we should withdraw from the Square, etc. But, when we discuss these issues today, no matter how much we might like to rethink the process, we can never get beyond merely hypothetical possibilities. Even if we hadn’t suggested a hunger strike, we couldn’t have prevented other people from launching one. At that moment, the situation was such that if one person went on a hunger strike, one hundred would join, and if one hundred joined, a thousand more would join. There is an emotional dynamic in all such mass movements. The decision whether or not to call a hunger strike was only a tactical issue, for there was an unstoppable force pushing the movement to a confrontation with the authorities. We can’t say that if we had not launched a hunger strike the later sequence of events could have been averted. No one can claim this so absolutely.

In fact, there was never a single leadership of the movement anyway. Originally, the decisive role was played by the Autonomous Association of University Students. Later, central power shifted to the Headquarters in the Square. Then, outside the square, there developed the Patriotic Assembly of All Professions in the Capital in Defence of the Constitution, which came to include both an Autonomous Workers’ Association and Autonomous Citizens’ Association. If we look at the other key question posed by the outcome of the movement, the decision to stay in Tiananmen to the end, the Square Headquarters and the Patriotic Assembly had different opinions about it, and this was an important reason why we did not withdraw. Actually, according to my memory, the Square Headquarters was willing to consider a withdrawal, but it was the whole body of students occupying Tiananmen who voted against doing so. In my heart I don’t believe that, at that moment, they wanted to keep their distance from workers. They acted from spontaneous emotion. They didn’t make any social calculation.

Li Minqi: I agree that an ideology need not find a clear expression in every situation, and that the students were often unconscious of the logic of their position. I well remember our outlook, which I shared, at the time. But the explicit social ideal of many of the intellectuals was to build capitalism. If you were a worker in 1989, and were asked to join the democratic movement, why would you want to do so?

Wang Chaohua: You insist that the problem was the unwillingness of intellectuals and students to mobilize workers. Actually, if we move our focus away from the Square, we can see that many students did go
out to factories and attempt to arouse workers. This was particularly true in Shanghai. But they had little success. In part, this was because the students themselves were not well organized; their associations had virtually no practical control over voluntary actions of this kind. However, there was another side to the problem too. Some workers did organize themselves in the Autonomous Workers' Association led by Han Dongfang, yet they too found it very difficult to mobilize the great mass of the working class. You should ask yourself why this was so. When, in 1990, I watched a videotape of the workers' debate in All-China Federation of Trade Unions, I was struck by the fact that a central issue puzzling them at the time was whether or not they should hold a strike. This was a very perplexing idea for many of them, which they could accept only after long, painful debate. Why? Because they were still to some extent under the spell of a belief in 'collective' ownership of the means of production in a workers' republic. So they kept asking: 'Aren't we the masters of our state? How can we strike against our own state?'. You could see their confusion.

*How long do you think the present régime will last? How do you envisage the most probable ways it could end?*

**Wang Dan:** My personal guess is that, within five to eight years, Chinese society will undergo a big change. How will this transformation occur? One possibility is a peaceful extinction of the communist dictatorship, as progressive groups within the Party unite with democratic forces outside it to form a new political front capable of gradually taking power. This would be a more stable path. But it is also possible that the present régime stubbornly clings to power, intensifying its suppression of the social contradictions in the country. That will unleash major instability, that could even lead to fighting between local warlords. I think either scenario is conceivable. Today, the decisive power is still in the hands of the government. But we can be sure China will be transformed within less than a decade. The basis for this judgement is that Chinese society itself is swiftly changing, no matter what the government does. No political authority can halt this process. The critical question is how the change will happen.

**Li Minqi:** I am not that optimistic, or should I say pessimistic? My own view is that, in the 1990s, China entered a period of rapid capitalist development, that has brought a stage of relative prosperity and stability to the country. While the economy is currently in recession, I believe this is a cyclical rather than structural setback, and will be overcome. Of course, this doesn't mean the current régime can last forever. One important result of capitalist development is to increase the size of the working class. In the private sector, the labour force is growing rapidly, and its ability to organize and struggle is improving. In the state sector, on the other hand, workers have been losing their traditional rights and their position is being reduced to the condition of the workers in the capitalist sector.
As their experiences converge, the two are likely to join forces in common battles. This development is going to have a fundamental impact on the future of Chinese society. In 1989, the Chinese working class was too small and weak to push the democratic movement forward, and the peasants gave it no support. The situation will be different in the years to come. For the first time in Chinese history, the modern working class will soon make up a majority of the population. This is going to make a decisive contribution to the victory of democracy in the future.

For Wang Dan, it is very important whether the current régime meets its end peacefully or violently. I’m not so worried about this. What I care about more is whether China achieves democracy under capitalism or under an alternative social system. We need to remember that China has joined the world capitalist system as a backward late industrializer. Its position in the world market is not only inferior to advanced capitalist economies such as the United States, Japan or Europe, but also to such newly industrialized capitalist economies as South Korea or Taiwan. The development of Chinese capitalism relies heavily on ruthless exploitation of large numbers of cheap workers. This requires a very specific politico-economic institutional framework. In the West, the historic strength of the labour movement forced the bourgeoisie to make major concessions to the working class, including political democracy and the welfare state. In many countries, universal suffrage itself was won by workers’ struggle. Eventually, a relatively stable class compromise was achieved. But, in the case of China, where capitalism depends so much on abundant cheap labour, is there any comparable room for the Chinese bourgeoisie to make similar concessions—to grant political democracy or social welfare—and, at the same time, maintain competitiveness in the world market and a rapid rate of accumulation? It seems rather questionable.

Wang Chaohua: In my view, the régime can be relatively optimistic. If its opponents are realists, they should be pessimistic. For my instinct is that the status quo could last for another twenty years, or even longer. Since 1992, the PRC has entered a phase where it can sustain a broad capitalist development through continuous self-adjustments. On this point, my view is not very different from that of Li Minqi. But if we consider the kind of social and political changes such an economic path will most likely bring, I’m of quite another mind. Let me take three main issues. Firstly, although the working class will surely increase in size, we have to remember how low the level of urbanization has been in twentieth-century China, in any comparative sense. This continues to be true even today, and will persist into the foreseeable future. We cannot imagine that the working class will quickly become a majority of the nation.

Secondly, as rural migration to the towns proceeds, a modern multinational capitalism is invading China, and bringing huge
disparities into the urban workforce itself. The gap in income and life-conditions between white-collar and blue-collar workers, which is already significant, is likely to increase greatly, splitting the working class even as it multiplies in numbers. So I am very doubtful about your assumption that there will be a highly disciplined, homogeneous industrial working class in China. This strikes me as old-fashioned. From what I can see in the United States, or other third-world countries, it is more probable that there will be big social and regional divisions in it. Thirdly, China cannot possibly repeat the pattern of industrialization in countries like Britain, where the population became highly concentrated in a few industrial zones, centred on big cities like London or Manchester—still less the even more centralized pattern of recent developers like South Korea, with the huge predominance of Seoul. The process will inevitably be quite dispersed in China, and may turn out to be more one of generally spreading commercialization than industrialization. We shouldn’t forget what the global environment for China’s capitalist development at the beginning of the twenty-first century will be like.

In such a perspective, political changes may come about neither through a renewed movement for democracy, nor as the outcome of a sudden revolution, but perhaps as a gradual corrosion of the centre by various factors and forces in the provinces. Could any of these stand for an alternative to capitalism? Only if there were articulated oppositional ideologies, considered or accepted by some of China’s intellectual elite. For that purpose, a simple ‘socialist’ discourse is unlikely to be enough, since any such alternative would have to be able to explain how it differed from the experiments of Maoism. Only then could it gain circulation, or hope to capture the imagination of the masses. Of course, it is true that China today still contains fertile soil for the reception of socialist ideas—significant groups that are certainly susceptible to them, which cannot be explained by analogies from the history of capitalist development in the West. For, even now, the legacy of the communist experience of the past four or five decades is still not dead.

Wang Dan: Let me explain what I meant by predicting a basic change in China within five to eight years, otherwise you might think me too optimistic. If we ask, how long will CCP rule last, we need to distinguish between two different kinds of ending—disintegration, and evolution into something different. I feel there is a good chance of the latter, which would involve economic changes of a kind we should discuss later. For the moment, what I want to point out is something else. Both of you speak of the future as if were exclusively a matter of rational social analysis. But shouldn’t we consider the possibility of sudden contingencies in the process of historical development? In the past, as we know, a mistake in the translation of a telegram could cause a war between two countries that might alter the entire political configuration of Europe. In
China, the accident of Hu Yaobang’s death set off a huge mass movement, which no one anticipated. So mightn’t another unexpected event upset the path of development prescribed by the political establishment? We can’t discount the possibility.

In the PRC today, there are no rules governing relations among the different social strata; no rules to guide leading groups in handling social contradictions. In these conditions, if an accident erupts, the different forces in play might not be able to reach a rational solution, opening up the possibility of a major change. Moreover, in the present situation, where social contradictions are very tense, the possibility of a sudden accidental crisis is increasing. That is why I do not give the current régime more than five to eight years of life.

Li Minqi: Wang Chaohua has pointed out that there could be a division between white-collar and blue-collar workers in China. But I don’t think this phenomenon can, by itself, explain why there has so far been no revolution against capitalism in the West. It is the ability of the Western ruling classes to reach a compromise with their working classes by building political democracy and a welfare state that is more relevant. If we look at the late twentieth century, how far has the development of the labour movement repeated the pattern of the nineteenth century? The experience of Korea or Brazil provides a clear enough answer. In both countries, the working class played a crucial role in democratization. As for China, we might see a more complete development of capitalist relations of production in our own country than in any other third-world nation. For China had a relatively thorough social revolution and a complete agrarian reform, which eliminated any trace of pre-capitalist exploiter classes. The development of the working class may, therefore, also reach a higher level. This doesn’t mean there are no differences within the working class, for example, between employees of transnational corporations and workers in state-owned enterprises. But they are all subject to the oppression and exploitation of capital; they share a common social position, and material interests. This will make it possible for them under certain conditions to act as a united force.

What do you regard as the best immediate strategies for promoting democratization in China?

Wang Dan: For a century, China has been trying out various institutions, including many borrowed from Western political systems. But what our country lacks is a public sphere independent both of the government of the day and of competing interest groups. Such a public sphere could keep direct material conflicts and ensuing social instability at bay. That is my point of view, though I realize it may seem a narrow one. I hope there will be an independent intelligentsia in China, in possession not only of political and economic but also moral resources, without which there can’t be a real opposition in society. Its institutional position should be completely
independent. Even if a relatively democratic government should appear in China, this kind of group would still be necessary as a counterweight to it. Critical journals and publishing houses are vital here. Such an intellectual force might have different kinds of connections with the authorities of the hour, even getting involved in politics as a means to influence its outcomes. But, as a social power, it should not only act as a political balance, it should also check tendencies to cultural hegemony and resist any interest group that might threaten civic liberties. That’s my basic idea.

Li Minqi: Chinese intellectuals, by themselves, won’t be able to bring the democratic movement to victory, largely because of their instinctive fear of the working class. In this sense, the future of democracy in China depends on whether urban workers can turn themselves into a powerful political force with their own standpoint—that is, something very different from what they were in 1989. It must find out its own political interest and an ideology appropriate to it. I think this is the key to the success of democracy in China. But, for this to happen, at least a section of the intelligentsia would have to adopt their standpoint, and help them develop an alternative social programme. The question here is the same as that raised by Wang Chaohua: is it possible for people from an élite background to identify themselves with the interests of a popular class? At the moment, the intellectual mainstream in China is undoubtedly pro-capitalist. But there have been some changes since the end of the 1980s. There is now a certain space for the Left, and small groups of radical intellectuals are emerging, as the development of capitalism develops its contradictions as well. In one way or another, these are likely to be reflected more strongly in the next generation, who will be freed from the burden of historical memory under which their elders still suffer. Being less marked by the ideological and psychological scars of the state socialist era, they are more likely to observe and interpret society, and its contradictions, in a sober and objective manner.

Wang Chaohua: I believe that the most effective strategy to promote democratic change in China must be a combination of two sets of demands. The first set is based on the principle of human rights, especially freedom of speech and assembly, and guaranteed civic liberties. We should do everything in our power, using every ounce of our strength, to press home this essential principle as the aim of our political work. Many different specific issues can be taken up and argued through on the basis of a general conception of human rights. The second fundamental principle is social justice. China is certainly changing rapidly, but what kind of society is it changing into? Is our ultimate goal simply to make China richer? Is it a faster growth rate or greater efficiency? I believe our intellectuals should commit themselves very explicitly to a society that is more just for all its members, one that is fairer and more equal than what we witness today. It is only by this yardstick that we should be discussing
efficiency or development. It is by firmly sticking to these two principles that we can serve the cause of Chinese democracy best.

Is it realistic to pin most hopes for the future of democracy in China on an emerging middle class?

**Wang Dan:** At present, I don’t put much hope in them. The middle class that has recently appeared in China has mostly gained its property by taking advantage of loopholes in the system, from which its members have benefited greatly—indeed, through which they obtained their current positions. He Qinglian has shown the way state properties were divided up by these people. They secretly acquired assets through their power, then cut their official connections, took off their red hats and changed the property into their own private firms. Such a stratum is more interested in maintaining the existing order. If society were transformed into a true free-market system, their methods of profiteering would be blocked. In fact, I doubt there is a real middle class in China, and, if one does exist, I don’t think it can move in a liberal direction.

**Li Minqi:** Maybe we should first clarify the concept of ‘middle class’? It’s often very confusing in the context of contemporary China, where people sometimes refer to the emerging private capitalist stratum as a ‘middle class’, while, at other times, the term is used to mean professionals and intellectuals. The second definition appears to be more consistent with usage in other countries.

**Wang Chaohua:** The reason why there is increasing interest in this issue in Western Sinology is closely related to the model of capitalist development in Europe in the seventeenth and eighteenth centuries, and, in particular, to Habermas’s study of the conditions of a public sphere that eventually made democracy possible there, and the way these conditions have decayed in today’s post-industrialist world. So I assume the question refers mainly to the role of a bourgeois stratum whose members own capital, rather than to intellectuals who perform mental labour. The historic bourgeoisie of early modern Europe is not the same kind of force as the middle-income class in America today, buying cars and houses. Questions about the role of the middle class in the emergence of democracy in developing countries like China usually have the former in mind. In this sense, I think Wang Dan has good reason to identify an emerging middle class with bureaucratic capitalists in China, who convert ‘public’ assets into ‘private’ capital. In fact, this group does not confine itself to turning ‘public’ property into ‘private’ wealth inside China. It often transfers the proceeds to secret bank accounts abroad.

**Li Minqi:** Personally, I doubt whether the private capitalist class can make any substantial contribution to the democratic movement in China. This class has a dual nature. To a certain extent, it is opposed to the bureaucratic capitalist class: there are contradictions and
conflicts between the two. In this sense, the private capitalist class seeks to share in political power, from which it is still relatively excluded. But the existing dictatorship, by repressing the workers, helps private capital to exploit labour. This is, naturally, in the interest of private entrepreneurs. If the workers had more political rights, and were free to organize unions and undertake collective bargaining, it would be against the interest of these capitalists. So we must always remember this dual character when we try to assess the potential role of the private capitalist class in the democratic movement.

Wang Chaohua: I certainly don’t think that we should pin our main hopes for a future democracy in China on this stratum. On the other hand, if we look at the question in a comparative perspective, remembering West European experience, we cannot deny that the emergence of a middle class in China might make some contribution to the formation of a democracy in the country. We must assume that an ideal operational environment for capitalist entrepreneurs requires highly codified legal protection, and unambiguously defined property rights. If, instead of talking about current experience in China, we think of an abstract model, then we can say that private entrepreneurs need clear-cut property rights, defended by the law, to prosper. These are basic conditions for the existence of this particular class.

In this regard, although there is a lot of talk both inside and outside China about an emergent ‘middle class’, private entrepreneurs in today’s China are not unlike the workers Li Minqi describes. They have not yet been able to articulate a consistent ideology, or to find their own political channels and agencies. This class remains an object of speculation, not a subject that can make its own voice heard or form its own political organization. In current conditions, it is still very difficult—if not impossible—for this class to transform itself from a ‘self-existing’ to a ‘self-acting’ class. At any rate, that is my understanding of the matter. If we take this into consideration, we shall not pin all our hopes for a future democracy in China on it.

Li Minqi: Historically, it has not been unusual for clearly defined private property to co-exist with political dictatorship, so even a very moderate hope for a progressive middle class in China might prove unrealistic. In China, the government is now conducting so-called village-level elections in the countryside. Private capitalists often play a big role in these elections. In some cases, they are also prominent in the elections to local and provincial people’s assemblies. In this way they have some access to political power.

Wang Chaohua: These political gains are mostly linked in various ways to bureaucratic connections and intrigues. They’re not enough to define this group as a ‘self-acting class’.
Li Minqi: Well, I admit that. I wouldn’t myself say that private capitalists are a class for itself yet in China.

*How far should Chinese dissidents co-operate with foreign governments? Is it appropriate for them to criticize their domestic or foreign policies, or only to speak of China-related topics?*

Wang Dan: I think we should clarify the concept of dissident. In my view, there are two types of dissident. The first are intellectuals who resist dictatorship. It doesn’t matter what kind of régime it is. I don’t have any personal resentment against the Communist Party. What I resent are its dictatorial methods. I’m a dissident because of my beliefs. But there is another kind of dissident—political opponents of the current régime, who want to replace it. This type is very different. They believe their political ideas best represent the interests of the country. They have definite tactical orientations and clear expectations of political success. For us there is no such expectation. No matter what the situation, we will remain dissidents. So, for us, there can be no question of co-operating with foreign governments. Personally speaking, I have no contact with the American political mainstream. But the second type of dissident should co-operate with foreign governments because they have to think about China’s position in the future international system, and they hope to govern China tomorrow. They also sometime criticize the foreign policy of Western countries—Wei Jinsheng is an example. In my view, this is a mistake. They should speak only about Chinese affairs. Their role is to act like a future shadow cabinet. To criticize the policies of a foreign government is improper from a strategic standpoint, because each country has its own independent interests, which should be respected.

Li Minqi: I have nothing to say.

Wang Chaohua: My personal choice is very similar to Wang Dan’s, but I wouldn’t make the same criticism of the second type of dissidents. For me, there is no question of co-operation with foreign governments. To be an independent intellectual is to think in a principled way about human rights and social justice, and, if you are thinking independently, you will naturally be able to criticize anything you believe deserves criticism.

*What kind of constitutional structure should a democratic China aim for? Do you favour a Russo-American style of Presidency, or Euro/Japanese form of parliamentary government? Have you any electoral systems in mind? What degree of federal devolution would you regard as desirable?*

Wang Dan: Since I identify myself as an independent intellectual, this question is not within the range of my interests. I hope that no matter what kind of constitutional system China adopts, it will embody the two concepts of freedom and justice. As long as it does
not violate these, I will support it. But, if it opposes them, I will criticize it. Otherwise, I don’t care what kind of system it is.

**Li Minqi:** I think we should care. Within the basic framework of capitalism, a European-type parliamentary system is a relatively more rational political arrangement. If we believe in the goal of freedom and equity, the European pattern is closer to it. The American system is based on the division of power between the three branches of government, which, historically, was set up to concentrate influence in the propertied class, and to guard against a popular majority having a direct impact on policy-making. This concern finds clear expression in the *Federalist Papers* that laid the theoretical basis for the US constitution. The Russian constitution is the fruit of Yeltsin’s armed bombardment of parliament. It is deliberately designed to weaken the legislature, and to give the President virtually unlimited power. It has nothing to do with democracy.

**Wang Chaohua:** I too would prefer a parliamentary system for China. At the moment, I wonder if Taiwan mightn’t offer the most relevant experience for us. Its constitution seems to be a mixture, neither fully European nor American in inspiration. It does have a directly elected President, but, in practice, the development of the system—also the voting rules—seem to give strong balancing powers to the parliament. The institutional result seems quite unstable, as the position of the premier has become increasingly independent of the presidency in recent years.

**Li Minqi:** Could this be compared with France?

**Wang Chaohua:** Perhaps it could. However, the peculiar position of Taiwan has created a situation that I don’t think exists anywhere else. The Kuomintang (KMT) has kept a monopoly on the Presidency, based on its control of the armed forces, huge wealth and media resources. When there is any cross-strait tension, this power-complex tends to benefit as voters seek stability. In other conditions, the government can easily be affected by electoral pressures.

**Li Minqi:** In both Taiwan and Korea, presidents are elected by relative rather than absolute majorities. This allows the candidate of the ruling party to take the presidency with only a minority—say, one third—of the total votes cast.

*What economic system would you advocate for a democratic China? Which foreign countries would come closest to it?*

**Wang Chaohua:** It is hard for me to point out a clearly defined economic system that I would want to advocate forcefully in China. The most important issue is for us to insist that all the members of our society have an equal say in the ongoing transition away from a so-called socialist—actually, state-controlled—ownership system.
Everyone should have the right to learn of the consequences of each possible option, and to make their own choice on the basis of full information about them. People with different proposals and beliefs should be given the same opportunities to explain their ideas to others. These are the conditions under which ordinary citizens, without much specialized knowledge of economics—I am one of them—could have a chance to arrive at their own decision as to what would be best for the country, and to try to rally others to support their choice.

In broad terms, I believe a democratic China should enable the great majority of its people to share in its social and economic achievements. If someone could point out a convincing road to this goal, I’d be happy to follow. The Cultural Revolution in China pursued the aim of social equality, but it did so by driving members of society towards a common austerity, pushing anyone who enjoyed better living conditions down to a lower and poorer level. This kind of egalitarianism is incompatible with a healthy society, and created yet more social problems and conflicts. I do think this kind of practice must be reformed.

If I’m asked which existing economic system in the world could be closer to the ideal conditions I’ve just mentioned, I would tend to put quite a lot of weight on cultural factors. So I would tend to look at Taiwan, as a Chinese society that could suggest some directions for the mainland in the future. I was quite impressed by its rural cooperatives, which seem to be fairly genuine collective enterprises. Even in the industrial sector, the proliferation of small and medium firms in Taiwan, which forms a big contrast with the pattern in South Korea, indicates the importance of the family as a socio-economic unit there. I think elements of both social justice and connectedness of societal members are embedded in these local-collective and family-based enterprises, in a way that is more readily visible to people who have grown up in a Chinese cultural environment. Such economic forms may be easier for our people to accept, if they care about social justice and societal connectedness.

Li Minqi: I agree with Wang Chaohua that, in the process of economic transition, every member of society should have access to the relevant information and the right to express different opinions about alternative economic systems. Unfortunately, that is far from the case in China today. But this should not prevent us from working for an economic system that combines greater equity and efficiency. Since the beginning of capitalism, human beings have been grappling with the problem of how, on the one hand, the forces of production and civilization could be rapidly developed, and, on the other hand, the majority of people could benefit from this development. In China, as in the former Soviet Union and Eastern Europe, a revolution made in the name of socialism failed to fulfil this expectation. But this should not prevent us from continuing the search for the answer to the question. It is a basic tenet of Marxism
that every mode of production is the appropriate form for the development of the forces of production only under certain historical conditions. Since these conditions change over time, no mode of production can remain the same forever. Capitalism is no exception.

The experiences of certain capitalist economies in the post-war era are particularly relevant here. If we look at East Asia, we see that in Japan, Taiwan and South Korea the government has played a crucial role in resource allocation, especially in capital investment. The government provided cheap capital to cutting-edge sectors, encouraged export-orientation, and directed flows of investment through the banking system. The very rapid growth that resulted from this pattern challenged the orthodox belief that a free market is the optimal mechanism for resource allocation and economic development. Of course, these were no ideal societies. The close collaboration of the government with big capitalists not only was incompatible with equity, but eventually also injured efficiency, as we see in today’s regional economic crisis. But let us imagine that the East Asian systems were not based on collaboration between the government and big capital, but were under the democratic control of the majority of its citizens. Wouldn’t that be a preferable choice?

A second experience that we need to think about is the typical structure of German and Japanese, compared with American corporations. In the American system, which approximates to a pure classical version of capitalism, the corporate owners have near absolute power over the firm, while the workers are little more than wage-labourers, without any participation in management or any profit-sharing. Moreover, in conditions of a highly flexible labour market, it is relatively easy for the corporations to lay off workers. The German and Japanese pattern is quite different. Under their system, workers share in profits, participate in management, and enjoy considerable job security. But, if we compare the economic results of the two types of structure, we see that, throughout most of the post-war years, Germany and Japan had faster rates of growth of labour productivity and higher levels of investment than the United States. The mainstream ideology argues that one cannot have both equity and efficiency, and that economic efficiency requires the sacrifice of equity. But the two experiences I have outlined are inconsistent with this view. They suggest that more equity may bring about higher efficiency.

If we consider the current Chinese economic system, we observe that, despite many market-oriented reforms, the state remains a central actor in resource allocation—still more so than in Japan, South Korea and Taiwan. Shouldn’t we try to preserve state economic intervention, but democratize it, so that the majority of the people determine the direction of social investment? That might yield a relatively rational arrangement. As for our state-owned enterprises, we know that they used to have certain features
not unlike aspects of German and Japanese firms: workers had job security and some informal power in the process of production. Since the onset of the reform era, however, workers’ rights have been steadily eroded, while managers’ prerogatives have greatly increased. This has a strong negative impact on labour incentives. According to one investigation by the All-China Federation of Trade Unions, workers’ incentives in state-owned enterprises have now fallen to their lowest point since the reform started. Naturally, productivity has suffered. If we want to improve the economic performance of state-owned enterprises, we shouldn’t be trying simply to define ever-clearer property rights. We should also be trying to improve workers’ incentives, by giving them more say in management, and a bigger stake in profits.

Wang Chaohua: When you bracket Taiwan together with South Korea and Japan, I think you are overlooking one difference between them. In launching its so-called economic ‘miracle’, the government in Taiwan subsidized a lot of capital investment in big state-owned industrial enterprises. These are quite different in structure from the chaebols in South Korea or the keiretsu in Japan. Private entrepreneurs and big capitalist enterprises occupy a weaker position relative to big state-owned firms in Taiwan. This example does tend to show that it’s not impossible to stimulate development via ‘state-owned’ firms as leading industrial agents.

On the other hand, it might be true that, in the early years of the PRC, working-class commitment—linked to improved social status and economic benefits—contributed to some high-efficiency growth. But I doubt that a decline in workers’ initiative in state-owned enterprises PRC started only after Deng’s reform were launched. Loss of worker enthusiasm was very visible in China by the latter years of the Cultural Revolution, I would say since 1972 or 1973. Have the reforms so much worsened the situation?

Li Minqi: I didn’t say that workers had higher incentives in the Cultural Revolution. In fact, in the initial stage of Deng’s rule, some of the reform measures did help to improve labour incentives. But, since the mid-1980s, job security and other social rights have been progressively undermined, contributing to a crisis of productivity in state enterprises.

Wang Dan: In my view, if we want to reach an ideal system, we should respect two principles. Firstly, there should be a free-market system in China based on private property. For the normal functioning of any society, it is clearly essential to have private property; just as a free market is necessary for an efficient economy that can satisfy basic material needs. Secondly, however, there should be a social safety net, that guarantees a degree of justice in the overall structure of society. My ideal is a free market economy of this kind.
Do you think bankrupt state industries should be closed down today, as the IMF recommends?

Wang Chaohua: This opinion is not just that of the IMF. It is held by a considerable number of economists. The question isn’t so easy to answer, because it’s not always clear what has driven many state-owned firms to bankruptcy. It seems likely that the reasons are rather different in the 1990s from the 1980s. In the last decade, there has been a qualitative change in the process. In the 1980s, the reforms sought to solve certain problems arising from lack of workers’ commitment to the performance of the enterprise. In the 1990s, many state-owned enterprises had a chance to rejuvenate themselves under less rigid directives from the centre. But now the propagation of free-market ideology closed down other options for them. Their assets were often simply transferred—legally or illegally—to the managers who happened to be in charge of them at the time. With this unchecked personal power in the hands of managers, who have not hesitated to appropriate public assets, more and more firms are sliding towards bankruptcy, leaving their workers to shoulder the costs of liquidation—i.e. wholesale dismissals. In cases like these, the government has a clear responsibility for the fate of these workers and their firms.

There is a further problem in China today. This arises when the government seeks to modernize certain industrial sectors, such as the textile or coal industry, under environmental pressures. Typically, these sectors are at least two epochs behind average international development, making them highly vulnerable to an open-market prospect under reform guidelines. When such sectors need to be comprehensively updated, I believe the state as the central social organ must shoulder the costs involved, from the accumulated wealth in its coffers. It’s not acceptable to see the state shifting the costs of its own previous policies onto workers who had no responsibility for them.

Li Minqi: I think a related problem is the declining efficiency of state-owned enterprises, reflected in deteriorating financial indicators through the 1990s. Here we must not ignore the unfavourable institutional context with which such enterprises are confronted. The effective tax rate charged on state-owned enterprises is much higher than on non-state-owned enterprises. The situation used to be that all the capital of these firms was provided by the state. But, since the mid-1980s, this has generally ceased to be the case. Moreover, the capital that was earlier invested by the state has since been redefined as loans made by the state. This change means that state-owned enterprises now have to pay interest on loans as well as tax on profits to the state: they are charged twice by the same owner.

Secondly, there is the problem which Wang Chaohua has just talked about—that is, the increasingly unchecked power of managers in
these firms. This has encouraged the rapid spread of corruption and loss of public assets. Thirdly, as I’ve already said, the reforms have undermined social and economic rights the workers used to enjoy, damaging labour incentives. If we take all these factors into account, it seems evident that privatization is not the only way to solve the problems of state-owned enterprises. Nor is it the best way or the most equitable way. If the workers had more say in management and more of a stake in these firms, they would be more motivated to improve productivity. If the managers were more subject to control from the workforce, there would be less corruption and plundering of public assets. If there was also a fairer fiscal framework for them, there is no reason why state-owned enterprises could not become much more efficient.

**Wang Dan:** If a state enterprise has a lot of bank debts and falls into insolvency, obviously it should be closed. But there is an issue of justice here. By that I mean compensation. If you suddenly shut down a lot of enterprises without considering this, it will cause social instability. There are two aspects to compensation. The first concerns employment. Workers who have been laid off should have a chance of finding jobs elsewhere. Here I disagree with Li Minqi. It is privatization that would create these jobs. The government’s resistance to wide-scale privatization is blocking people from finding alternative employment in the free market. This is the first injustice.

The second aspect of compensation is a question of money. Here too there is much injustice. For example, in the province of Liaoning the first ten months of 1997 saw a strange situation. The economic plight of state enterprises was among the worst in the country, yet the nominal rate of growth of the province was among the fastest in the country. How could this be so? I think one of the reasons was the miserable compensation workers received when their state firms were closed down. Each worker dismissed was given only 100–200 renminbi. This is absolutely unfair to workers who have laboured in an enterprise for many years. In Western countries, if firms go bankrupt they give workers extremely high compensation. But when Chinese state enterprises shut down they give workers very low compensation in order to ensure the growth of GNP. This is very unjust. If this practice continues, it will certainly lead to social conflicts.

**Li Minqi:** You believe that in the West, if an enterprise fails, its workers receive high compensations? I am very surprised. Nor do I quite understand how massive privatization could help to solve the problem of unemployment.

**Wang Chaohua:** I took Wang Dan to mean that the creation of new private firms, not the selling of bankrupt state firms, would create new employment opportunities. That doesn’t seem unreasonable.
Li Minqi: But it’s not as if the development of this kind of private enterprise is prohibited in China. It’s actually encouraged.

Wang Dan: No, there are major limitations on China’s privatization programme. For example the PRC only has one bank, Minsheng Bank, that specifically provides loans to private enterprises. When other banks provide loans to private firms, they are much more restrictive than when they lend to state enterprises. This is a big problem, because the development of a flourishing private sector depends on the availability of credit.

Li Minqi: So far as I know, if state banks are reluctant to offer large loans to private enterprises, it is not because they are private, but because they are mostly small firms. Since it is usually riskier to lend to small companies, these enterprises tend to have less access to loans. This is not an ideological discrimination.

Wang Dan: In the economic transformation of East European countries, various bureaux were specifically set up by the government to support the development of small and medium enterprises. This has not been done in China. Therefore I say that the Chinese government still does not accept the privatization that the country needs.

Do you regard mass unemployment as economically inevitable in China? If not, what policies would you support to fight it?

Wang Chaohua: I believe that large-scale unemployment today is closely related to current reform policies. To say it is a problem left by earlier socialist experiments is to simplify the issue. The management of state-owned firms in the 1990s is not a consequence of the so-called ‘iron rice bowl’ of the 1950s or 1960s. If so many workers are losing their jobs today, it is mainly because the policies of reform were not fully examined, its main principles were not exposed to public discussion, and state-owned enterprises were not given a sufficient range of options. It is China’s policy-makers themselves who brought about today’s large-scale unemployment. Therefore, I do not think it is entirely inevitable. In fact, some state-owned enterprises have made serious efforts to rejuvenate themselves, as we can see from recent experiments in Wuhan. It isn’t the case that there have been no local initiatives to sustain public employment in a cost-effective way. Encouraging workers’ participation in economic management, and protecting workers’ rights in local administration, will contribute to them.

Li Minqi: I largely agree. Even within the framework of the existing régime, large-scale unemployment is not unavoidable. The government could undertake a more active fiscal policy, expand public investment, and provide support to workers who are laid-off. This would increase effective demand and lower the rate of
unemployment. Some people argue that any further increase in the public deficit would only result in inflation. I disagree. The primary problem of the Chinese economy today is inadequate aggregate demand and under-utilization of capacity. The present capacity utilization rate is only about 50 per cent. In these conditions, an increase in the deficit would help to reduce unemployment, rather than unleash inflation.

_How far do you think privatization of the Chinese economy should go?_

**Wang Chaohua:** I think China’s major industrial sectors should remain state-owned, but private enterprise be allowed to develop wherever necessary at local or regional level. The system of national economic planning needs to be thoroughly reviewed and re-adjusted. In the localities there should be discrimination or suppression of private firms; local monopolies should be firmly opposed, particularly where they are linked to political control.

**Li Minqi:** Since the beginning of the reform, the share of the public sector has been diminishing. Now state-owned enterprises and state-controlled stock-holding concerns together account for less than one-third of China’s industrial product. The following division of labour has taken shape. High-tech industries have basically been taken over by transnational corporations. Labour-intensive small and middle enterprises are basically either private, or so-called township and village enterprises. Many of these TVEs are de facto private firms. State-owned enterprises now are concentrated in certain heavy industries that require large capital investment and provide basic inputs like raw materials and energy to the rest of the economy. In the immediate future, the private sector may continue to expand and the state sector to diminish. But, given the current division of labour, it is not very likely that foreign or domestic private enterprises can replace state-owned enterprises in those industries where they are still dominant today—either because these sectors are not profitable, or because private firms do not yet possess the capital or know-how to enter them. So the share of state industry may fall to around a quarter of GDP in the near future, but is unlikely to drop much further after that. If the Chinese people had a chance of democratic choice between alternative socio-economic systems, the existing state-owned enterprises could be transformed by expanding workers’ rights and powers within them. Meanwhile, a democratic government should also encourage the development of co-operative enterprises.

**Wang Dan:** I will consider the problem of privatization from a political angle. In the future, when China undergoes a democratic transformation, a new political order should take economic measures to integrate different interest groups. Firstly, land should be privatized to satisfy the rural population. This would make people feel that here was a government with new policies. Secondly, housing should be privatized to give urban residents a feeling of security. Both
of these privatizations should be gratis, in other words with no charge to the beneficiaries. Thirdly, it is very important to get rid of the need to apply for permission to establish enterprises. China should be exactly like the West, where all you have to do is register a firm. I differ from Wang Chaohua and Li Minqi in that I want to promote privatization and reduce state enterprise at all levels.

**Li Minqi:** At present, Chinese peasants exercise de facto private control of the land they cultivate. So when you speak of the privatization of the soil, you are essentially referring to the freedom to buy and sell it. Are you quite sure peasants would welcome a free market in land, in which they might lose their plots?

**Wang Dan:** That’s why I said this should be considered from a political angle, because there is, in fact, a kind of private property in land now. Under the current policy, contracts from the government run for thirty years or are even permanent. So it virtually amounts to individual ownership. However, in order to give people a feeling of security, a new government should write private property in land into the constitution, settling the question once and for all. This is a political priority, to give the public a sense of stability and certainty. But it would also promote economic efficiency and help to develop the forces of production in the countryside.

**Wang Chaohua:** I’m very doubtful about privatization of land. On the other hand, Wang Dan has touched on another kind of problem, which is legal protection of personal belongings. This issue was one of the driving forces for reform in the late 1970s. It didn’t so much go back to the collectivization of agriculture in the 1950s, as to the trauma of the Cultural Revolution. The question now is how far redressing its excesses should take us right back to the situation under Nationalist rule. Whatever our answer, there is certainly a need for juridical clarity and certainty. We must ensure that in China individual rights and assets are not casually infringed by political power.

**Li Minqi:** Why don’t we consider the historical experience of Russia? The rural communes in Russia in the nineteenth century were very similar to the family contract system in our country. On paper, land was owned by the village community, but peasant families had de facto private control of land. In the 1860s, Russia abolished serfdom and later introduced other reforms, allowing free buying and selling of land. The result was to break up the communes, and sharpen conflict between the state and the peasantry.

**Wang Dan:** If we accept that land is a type of commodity, we must allow it to be bought and sold freely. I admit that privatization of the soil will increase inequality, which might intensify social contradictions in the countryside. But we have to weigh the pros and cons of any policy. If we don’t privatize, it would go against the
nature of commodities. Nationalization of land in a planned economy inevitably leads to problems. There is plenty of room to develop a regulatory system to make adjustments after land is privatized. Comparatively speaking, the results of privatization might not be as bad as failing to privatize.

**Wang Chaohua:** I don’t agree with the privatization of land. If we look back at the reform process in China, we can see it became an opportunity for redistributing resources on a grand scale, with a lot of corruption. The actual effect of land privatization would probably, in practice, be just the opposite of what you expect.

**Wang Dan:** The point is that the political environment would be different. Do you really think there is no way to control the damage and reduce it to a minimum?

**Wang Chaohua:** Privatization is a revalidation of the property rights of different members of society. How do you choose which rights to legitimate, and on what grounds? Certain lived continuities cannot be randomly cut off, or you introduce general confusion, as we can see in Eastern Europe. Where do we find the source of legitimate agrarian rights in China? Is it in the Cultural Revolution, the land-reform of the 1950s, the KMT distribution, or do we go all the way back to the Qing Dynasty?

**Wang Dan:** Certainly, in the process of privatization, inheritance should be recognized. This principle has two implications. People may pass on what they possess now, and they may inherit property of their ancestors. There are technical ways to deal with the problems posed by the application of this principle. The political problems are another matter. The tensions that have arisen in dividing up state enterprises have been due to corruption. But this is a question of the political system, which we want to change.

**Wang Chaohua:** That does not dispose of the ideological difficulty no one can get around. Why did the land reform of the 1950s not lead to any big commotion over property rights? Essentially because the political and the economic ideologies of the revolutionary régime were highly co-ordinated. Why do the current reforms invite such controversy? Because the political and economic doctrines of the government are at such variance with each other. If we throw open the issue of landownership, it will create even greater confusion. Deng Xiaoping granted the present thirty-year contracts. Why should a new government respect his measures?

**Wang Dan:** An open and transparent division of the land into individual units would solve this problem.

**Li Minqi:** Just for your information—land in the Chinese countryside is technically not owned by the state, but by the village
community. Some people argue that it would be better to replace the fictions of this ‘collective’ property with state ownership.

**Wang Dan**: The whole expression ‘state-owned land’ is wrong. We lived on this land for countless generations, why does it belong to the state?

**Li Minqi**: If we are talking about a dictatorial state, your argument may make sense. But if we are talking about a democracy, why can’t the state own the land on behalf of the whole people?

*What range of social inequalities would you think acceptable in China?*

**Wang Chaohua**: This is indeed a tricky question. I tend to view it in a comparative perspective. Among the initial pressures for reform in China were critical reflections on the ‘absolute’ equality that was preached during the Cultural Revolution, when the official way to break up all social, cultural, political and economic privileges was to send people down to countryside to share the mire and poverty of peasant life. This is certainly not an experiment China should have to undergo again. It follows that a certain degree of inequality will be inevitable in the process as we search for a better society. If we look around us, I would say that in this respect Taiwan offers a somewhat better example than Hong Kong.

**Li Minqi**: I agree that China doesn’t need another Cultural Revolution, forcing people to accept a certain form of economic organization by coercive means. However I believe, as I’ve said, that equity and efficiency can actually reinforce each other. It’s perfectly possible for a new democratic China to have less inequality than we now observe in most capitalist countries.

**Wang Dan**: I have nothing to say about this question.

*Does Hong Kong offer an attractive model of a future Chinese society to you? Do you think its economic régime should be broadly reproduced in a post-communist China? Would you commend its fiscal structure to your compatriots?*

**Wang Chaohua**: I tend to compare Hong Kong with Taiwan, and find I usually prefer Taiwan. It is closer to the mainland both as a model of development and as a living Chinese society. It would also be easier to emulate, if any such need arises.

**Li Minqi**: Hong Kong’s political system is basically a product of British colonial rule, updated by a deal between the Chinese bureaucracy and Hong Kong’s millionaires. It is strongly weighted towards the interests of the local capitalist class, and excludes any real participation by workers. Economically, the enclave follows a traditional policy of laissez faire, in which the state scarcely
intervenes at all in the market. I don’t think this pattern is relevant for China, whether China takes a capitalist or socialist road. If we want any reasonable degree of social equity, if we want to improve our country’s position in the world system, to develop our technological capability, or to check the inherent instabilities of the market, substantial state intervention is inevitable. So far as public finances are concerned, Hong Kong is often praised for its zero deficits. But, under modern conditions, in fact ever since the Great Depression, this kind of ultra-conservative fiscal policy is outdated. For a big country like China, the purpose of fiscal policy should not be to maintain a mechanical balance between revenues and expenditures, but to promote economic development in the interest of the majority of the population.

Wang Dan: Hong Kong is very attractive to me. I also think it’s a model for China. Of course, we don’t want to copy Hong Kong completely. But I admire many features of this society. One of its virtues is its multi-cultural nature. Because of its location as a margin, no culture has an exclusive monopoly in Hong Kong—all kinds of cultures can develop there. It is also a highly efficient society, very different in this respect not only from the mainland but also Taiwan. You have only to look at the way their journalists operate to see that. Another positive feature of Hong Kong is its press freedom, which has made a deep impression on me. Up to 1997, at least, there was a professionalism and liberty of expression in the media seldom seen elsewhere. Mainland journalists should learn from this. Last but not least, Hong Kong enjoys a special position between East and West. It’s not totally Eastern and it’s not totally Western. Later on, when the mainland adjusts its own cultural stance, it also should take up a position between East and West—inheriting some things from the East and adopting others from the West, in order to learn from both sides, as Hong Kong has done. That will make our society livelier. So to sum up: the things I feel can be learnt from Hong Kong are multi-culturalism, efficiency, freedom of the press and balance between East and West.

Leo Lee: If we are going to discuss the Hong Kong model, it would be better to let people from Hong Kong speak for themselves. They might feel the big issue right now is the legal system, or the special anti-corruption unit, which they think is a Hong Kong invention. Another local speciality is complete economic laissez faire, although recently the government has had to intervene a bit. Culturally, of course, there is no élite sphere. Commercialism is in command and intellectuals don’t get any respect. That is roughly the Hong Kong model.

Wang Chaohua: I think there is a certain connection between the colonial legacy that Li Minqi emphasized, and the features of Hong Kong life that Wang Dan has talked about. It is the link between these two that makes any reproduction of the Hong Kong model
virtually impossible elsewhere, even in post-hand-back Hong Kong itself. A crucial feature of the model was that, up to nearly the last moment, the Chinese population in Hong Kong—if we except a handful of lawyers and tycoons—played no political role in the government of the territory. Hong Kong was a British colony, which did not even have the representative institutions usually granted to other British colonies. You could call it an external dictatorship. Its administrative and legislative authorities were imposed from abroad. This was what made possible its extreme laissez-faire policies. In practice, this meant that, so long as you were law-abiding, the authorities didn’t care what you did. I believe this political structure was partly responsible for the lack of any cultural élite that Professor Lee has just mentioned. When there is no possibility for a cultural élite to play any political role, its resources for maintaining a privileged social status are sharply limited. In this respect, Hong Kong was very different from mainland China, whether under the Qing, the Nationalists or the Communists, where there was always a circulation between cultural and political power.

Li Minqi: But if people just passively obey the law, doesn’t this kind of civic consciousness inhibit them from taking any active part in political life?

Wang Chaohua: Today the situation has changed. This model becomes unviable once there is a local administration running the affairs of the territory. If we imagine that all sixty seats in the current Legislature were directly elected—at present, only twenty are—there would be a dense web of connections between the legislators and their constituents, and representatives would have to speak for their electors, and care about the various questions raised by civil groups in their districts. All these issues would at once be no longer the same as those that faced the colonial governor. Every issue would be an acute local political question. That’s why I said the familiar Hong Kong model can’t even be copied in Hong Kong itself, after colonial rule has come to an end. Now its political culture will be much more closely related to local society, and we’ll see change in people’s lack of interest in public affairs.

Do you regard the fast growth in China of a mass commercial culture, based on US or HK models, as basically a threat or as a comfort to the government? Does it function mainly as a critical stimulant, or as inexpensive opiate?

Wang Chaohua: The two external influences are distinct. In Hong Kong, where the colonial structure excluded any democratic self-government case, commercial mass culture undoubtedly played a certain role in stimulating public opinion, and provided considerable room for freedom of expression. One consequence was that, by the 1980s, Hong Kong society could respond promptly to the political developments in the mainland. Of course, this culture did not permit the same degree of critical reflection on political affairs in Hong
Kong or in Britain. There was a big contrast with Taiwan in this respect. The Hong Kong cinema never produced anything approaching the historical self-awareness we find in a film like Hou Xiao Xien's *City of Sadness*, or the Taiwanese New Wave generally. But, in a more commercial way, the Hong Kong media and entertainment industry did create an environment that could respond in a timely way to crises in the mainland. Its freedom and its limitations were all part of the same colonial experience, based on a lack of any direct political power for the majority of the population. This too can’t be reproduced anywhere else today.

Now, if we look at the mainland, I think the dichotomy in the question we are asked is too simple. Mass commercial culture, whether influenced by Hong Kong or Hollywood, doesn’t represent a threat to the authorities. But they can’t control the development of this culture either. In the 1990s, we are currently witnessing another ‘cultural fever’. There is a lot of ferment in publishing and academic circles. It would hard to describe all of this as ‘critically stimulating public opinion’, but it may not be merely cultural opium either. I tend to see a certain room between the two extreme poles, though in China it does not yet amount to a ‘public sphere’ such as we might imagine in the West. The main problem is that the room between the two poles in China today is a silently negotiated space, without legitimate legal protection. You have to be an inside-player in order to know how to manoeuvre within it. For example, there are freelance writers and journalists active in China today, who may run a daring journal in Guangdong. When it is closed by the authorities, they might launch another magazine in Beijing, or later in Shenzhen. In this sense, the situation is actually quite favourable for critical discussions among intellectuals.

Li Minqi: Yes, but are such free-lance authors part of a mass commercial culture, or are these two different issues? What you are talking about is the space in which certain intellectual journals can be produced, raising some ‘daring’ or not-that-‘daring’ questions. What does this have to do with mass culture?

Wang Chaohua: The phenomena are related, because, if we ask how it’s possible to launch new journals swiftly when old ones are closed down, part of the answer is that commercial development offers a basis for such nimble moves. Take a television programme like *Eastern Time and Space* put out by CCTV—would you term it a product of mass commercial culture or official political culture? This kind of venture utilizes a developing commercial environment to try to express something new. In this sense, the current mass culture does, to some extent, reduce the political control of the authorities. In the peculiar environment of mainland China, since many social issues of popular concern may not be easily discussed because of political controls, in a paradoxical way they can become hot items commercially in the television ratings. So, as mass culture spreads in
China, the ‘space’ it creates is not only filled with mere entertainment or consumerism, it allows for the introduction of delicate political topics, which otherwise would fall under official prohibition. So we can’t say that commercial culture just spreads political apathy, though it surely also does this.

Li Minqi: Here we are talking about the new commercial culture, and we are asked whether it has contributed to apolitical and apathetic attitudes among the mass of the population. I wouldn’t deny that it affords some space for other kinds of production, but if we consider the bulk of its own output, we can hardly deny that it is pretty stultifying. However, we should be careful here. What we customarily refer to as ‘mass’ commercial culture in China is restricted for the most part to upper and middle strata. The majority of the population is little influenced by it. The situation is quite different from the United States and Hong Kong, where the whole population is really saturated with it.

Wang Dan: In my view, the wave of commercial culture that developed in the 1990s was, to a certain extent, encouraged and promoted by the government. It is one of the phenomena that appeared after 1989. If we recall our first question, we can say the deeper social significance of 1989 can be seen in the rise of this commercial culture. From then on, the Communist Party has depended on an expanding commercial culture to neutralize the negative image of its political suppression among the population. But the wave of commercialism has now become a threat to its own power. The government’s original plan was to promote a commercial culture and hope that it would become a kind of opiate. However, I don’t think that it has resulted in political indifference. Rather, it has opened an independent social space, in which more and more unpredictable forms will emerge, either created by the common people or mediated by commercial influence. Take, for example, Cui Jian’s songs, Zhang Yimou’s movies, and Wang Shuo’s novels. All three demystify the existing power from different aspects. They are almost the same as the protests in 1989. Their role is to deconstruct despotism. These things can spread to the whole country through commercial culture. Eastern Time and Space, which Wang Chaohua mentioned, is a good example because, without the existence of commercial culture, it could never have gained such importance. Television shows like Telling the Truth (‘Shihua shishua’) are also the product of this commercial culture. They are not a threat to the régime now, but they will become one. In another ten years, when the rulers look back at the reasons for their fall, they will realize they made a mistake at the beginning. The government thought it was only promoting commercial culture, but this force creates a political and social space within which forms destructive of its authority are being created. If commercial culture did not exist there would have been no possibility of this after 1989. The government is digging its own grave.
Li Minqi: What’s not clear to me is why this kind of development is a threat to the government, or deconstructs its authority. If you think it provides some independent space, what if people have become so independent within it that they cease to be interested in politics any more? Why would that be bad for the government? Why is this not just a smarter form of control?

Wang Dan: You keep talking about political indifference. But if we consult political science, we see that indifference is inevitable in a democracy. Look at the number of people who bother to vote in the United States today. The totalitarian régime constantly used its power to mobilize people and launch political campaigns. If common people become politically indifferent, it is impossible to mobilize them. The régime will find it has lost its resources. So I don’t think political indifference is a bad thing.

Li Minqi: I disagree. The political campaigns you are speaking of were phenomena of Maoist China and Stalinist Russia. But they are not a general feature shared by every dictatorship. Historically, it has been more usual for political apathy to co-exist with tyranny. It’s perfectly possible for us to have political apathy as well as political dictatorship.

Wang Dan: The basis for political mobilization in China and the Soviet Union was lack of political indifference. When everyone is politically enthusiastic, like during the Cultural Revolution, these régimes were at the height of their power. With the erosion of beliefs caused by commercial culture, there comes spreading political indifference. This becomes a kind of threat to the system.

Do you think popular nationalism is a strong force in the PRC today, or one that is exaggerated? If fairly strong, how far do you regard its mentality as benign?

Li Minqi: I don’t have much to say on this topic, though I did pay some attention to it when the famous book *China Can Say ‘No’* was being widely discussed. Nationalism is a phenomenon which tends to emerge with the development of capitalism. With rapid economic growth and increasing prosperity in China, the ruling class has become more confident of itself, and more middle-class intellectuals are willing to identify with the existing régime. The rise of nationalism reflects the self-assurance of this new Chinese capitalism. But I don’t think Chinese nationalism has become strong enough to incorporate all social classes, or to suppress the consciousness of contradictions between them. It is, by and large, restricted to a section of the intelligentsia. In the past, nationalism played a progressive, anti-imperialist role in China. But today it’s different. While it’s still difficult to decide how far it is virtual or real, it’s clear that under certain conditions it could become dangerous. For example, many people now believe that China should use military force to resolve conflicts with neighbouring countries.
**Wang Dan:** Chinese nationalism has become a hot topic, but I think it is exaggerated by foreigners. I don’t think it really has that big an influence. Take, for example, Clinton’s experience at Peking University. We all know that the many provocative questions put to him at his first public meeting were pre-arranged. These students were carefully selected by the Party. But when Clinton donated books in front of the Peking University Library, the atmosphere was totally different. It was vividly described by friends of mine. His reception was a very, very, sincere welcome. This contrast tells us a lot. The fact is that nationalism in China today has a political background. It has nothing to do with academic discussions. Nationalism has appeared because the government wants to distract people’s attention from the loss of credibility of communism. They want to see if nationalism will release them from the pressures of domestic dissatisfaction. That is why they promote it.

In my view, nationalism is a negative phenomenon, with dangerous implications for China’s future. As we face the twenty-first century, there are two big trends. The first is the need to redefine some currently accepted concepts, including the ideas of state and nation, and even sovereignty. This is connected with the new importance of human rights. The second trend is the number of international conflicts caused by national claims. This nation wants to be independent, that nation wants to be independent. China faces a big transformation in near future, which I hope can be smooth. Personally, I don’t think we should encourage the growth of nationalist emotions, which may bring more hidden problems to the future of the country.

**Wang Chaohua:** I believe that Chinese nationalism now has considerable potential. But, if may borrow Li Minqi’s phrase about the working class, I would say that nationalism has not yet found an organized focus or an integrated voice. It has not yet been able to join up with other forces, or project any coherent policies. So, although we can observe emotional reactions to various issues in different groups or areas of the country, so far these have found no systematic expression. The government utilizes it in a very instrumental way in its foreign policy. It manipulates it on some issues and completely ignores it on others. This is also true of domestic debates among intellectuals.

As for the question whether nationalism is benign or not, I’m reminded of an essay by Zhang Xudong in the journal *Dushu* last year. He introduced Gellner’s argument for the positive function of nationalism in developing or late-industrializing countries in this century, particularly in Eastern Europe. In this respect, we do see some trends in China to encourage major industrial sectors to develop state-owned national industries. There is also a so-called new Left emerging in today’s China that would like to resist the expansion of multinational corporations in the country. Still, the problem of
ambiguity remains. For example, to what extent would we feel a national monopoly controlled by power-holders in the state is tolerable—at what point would we judge it intolerable and foreign participation preferable? The current, still rather inarticulate, nationalism confronts more complicated issues than the nationalism of the 1950s. Bearing this in mind, I would say that Chinese nationalism today is not entirely calamitous.

Do you think the categories Right, Left and Centre have relevant meaning in China today? If so, how would you identify each? If not, what do you regard as more appropriate categories of analysis?

Li Minqi: I think the concepts of Right, Left, and Centre do remain pertinent to ideological differences in China today. However, it is also important to remember that, for a long time now, these terms have been used in ambiguous or confusing ways. Since the 1980s, both ruling politicians and mainstream intellectuals have typically divided the field of political opinion into two camps, ‘conservatives’ and ‘reformers’. In this usage, ‘conservatives’ are often referred to as ‘leftists’—a term that then becomes virtually a synonym for reactionaries. This kind of characterization suits the established order, and the majority of conformist intellectuals. For them, there are only two ideological lines. One represents modernization and progress—that is, the speedy introduction of a free market and private property in all domains. The other is conservative, and includes both those in the Communist Party who want to maintain the old-régime planned economy, and any independent critics of capitalism. The conservatives represent yesterday and have no hope. Naturally, this schema has given rise to a lot of confusion.

This situation needs to be changed. The concepts of Left, Centre and Right should be used in ways more consistent with their original meaning and their place in modern world history. With the development of capitalism in China, different social classes are more clearly taking shape. In future, intellectuals themselves will be increasingly divided between rival groups reflecting sympathies with opposing social classes. We can then say that a rightist is one who advocates capitalist development, whether he or she supports political democracy or dictatorship, while a leftist is one who takes a critical view of capitalism and responds to the needs and interests of the working class. A Chinese Left is still in its infancy. For the moment, it is mainly occupied with introducing the latest progressive ideas from the West into our culture. However, when we have a new generation of Chinese intellectuals, whose minds reflect the contradictions of capitalist development, we can expect a new situation. What about the Centre? The term is perhaps best used for those who favour privatization and capitalism in China, but object to the way power-holders have appropriated so much private wealth for themselves. They want a ‘juster’ privatization that would be more respectful of the rights of ordinary people. This is what some theorists
in the West call ‘clean-path capitalism’. I think this outlook is utopian and unrealistic—it ignores the whole history of primitive accumulation across the world. But it definitely has some resonance among Chinese intellectuals now.

**Wang Dan:** I do not use the categories Left, Centre and Right. The meaning of these terms has changed so many times that they have become completely confused. If I want to differentiate groups involved in active political discussion, I would classify them in four types. The largest group are liberals, who form the majority of Chinese intellectuals. They can be subdivided into three branches. The first are what I would call pure liberals—principled individual thinkers, who are completely independent of the state, like Zhu Xueqin and Liu Junning. The second I would dub constitutionalists. These include people who were in the system but later expelled from it, as well as others who were outside the system but wanted to get into it, for example Chen Zimin and Wang Juntao. The third branch could be termed theoreticians (wuxu pai): they are heterodox Marxists of an older generation, for example Wang Ruoshui and Yu Guangyuan. Together, pure liberals, constitutionalists and theoreticians form one camp, the liberal bloc. The second group are nationalists—people like Sheng Hong and Hu An’gang, who put forward views like those we have discussed. The third group are populists, such as Han Shaogong or Qin Hui. Most people don’t see them in this way, but I think, culturally, they should be called populists. They try to identify local resources and popular traditions in rural society, which would assist modernization. They take a great interest in the peasantry. The fourth group includes people like Cui Zhiyuan at MIT or Long Jingben who works at the Central Translation Bureau, and the group that produces the journal *Comparative Economic Systems Research* (Jingji Tizhi Bijiao Yanjiu). They are usually called neo-conservatives. I’m not sure if this is very accurate, but let’s go ahead and use the term. So I divide the groups into liberals, nationalists, populists and neo-conservatives. As far as I know, there are no real socialists or communists because, if we talk about the authorities, the CCP, I don’t think they have any real ideology. They might be called pragmatists, I suppose, but they don’t form an intellectual school.

**Wang Chaohua:** In my view, this question is related to the complex interactions between Western intellectuals, generally from the Left, and Chinese intellectuals, and the efforts of Chinese intellectuals to explore various Western traditions of thought. We cannot simply say that the categories of Left, Right and Centre are meaningless in China. On the other hand, it is no easy task to apply them. What criteria are to be used for their definition? Li Minqi classifies positions according to economic questions only: capitalism versus socialism, private enterprise and a free market versus collective ownership and planning. I believe that this approach, dividing people just by preference of socio-economic system, is too simple in
today’s China. Let me take my own example. I am strongly for the individual right of every citizen to their own personal property, which requires legal protection of a kind the PRC has never given. On the other hand, I am by no means against all forms of public ownership, and I object to current one-sided proposals to amend the constitution of the PRC, put forward by certain power-holders at the National People’s Congress, which would legalize privatization in a way that will certainly harm considerable numbers of our fellow-citizens. We must uphold basic liberal freedoms that the Chinese people have never so far enjoyed, while at the same criticizing the hypocrisies of Western capitalist practice. This is the sense in which I would call myself a leftist, but I am aware that among those who use these categories—unlike Wang Dan—I would often be considered a centrist.

Wang Dan: Daniel Bell said some people are rightist culturally, leftist economically and centrist politically. This is one possibility. That’s why I reject the divisions between Left, Right and Centre, since one person can occupy all three positions at the same time.

Li Minqi: That seems like an evasion. The central issue in Chinese politics is whether our country should take the path of capitalist development or work out some alternative. Should we adopt a social and economic system that basically favours a minority of the rich and powerful, or should we instead try to create one that reflects the interests of majority of ordinary people? We can’t dodge this question. Wang Dan has advocated the privatization of land.

Wang Chaohua: But does Wang Dan’s support for land privatization fall under your category of measures that favour only the interests of a wealthy minority people? Does he himself accept that it would have such consequences? You didn’t stop at ‘capitalism’ or ‘socialism’. Your definition is highly value-added.

Li Minqi: Most Chinese economists now support such privatization. They make no secret of its possible effects on social equity. But they still insist that privatization is exactly what they want.

Wang Chaohua: That’s another question. Personally, I think the socio-economic consequences of wholesale privatization of land would be disastrous to the majority of China’s population, and so I’m against it. But Wang Dan could perfectly well say he expected the opposite from it—he would scarcely be advocating land privatization on the grounds that it would be damaging to the majority of the population.

Wang Dan: Maybe Li Minqi has read more academic books, since he is studying economics at university, but the rest of us read Milton Friedman’s books and know that he declares the system of private property is good.
Li Minqi: I did not say that those who favour privatization think it will be harmful. Those who believe in capitalism certainly say capitalism is good.

Wang Chaohua: I suspect that the categories of Left, Right and Centre will soon become all but inevitable in China. Then we will be forced to clarify the difference between their meaning in the China of the twenty-first century and the uses of 'rightist' in the 1950s or 'leftist' in the Cultural Revolution of the 1960s and 1970s in this century. What sorts of connections between economic issues and political questions will take shape in this spectrum in the future? Li Minqi seems to hold that economic programmes are the sole criterion for distinguishing Right, Centre and Left in China.

Wang Dan: But what about political systems—for example, single party or multi-party? Isn’t that an important criterion too?

Li Minqi: In advanced capitalist countries, not a single leftist party is against the multi-party system. Thus, nobody uses the multi-party system as a criterion to distinguish Left and Right. It’s not that I want to use the economic order alone as a criterion, but the question of what kind of system China is going to adopt is the basic key to a consistent classification. Actually, my way of identifying Right and Left is common to every country.

Wang Chaohua: You believe the criterion you uphold is universally accepted today. It distributes people according to their opinion about the economic system China should develop. So far as I can see, this still reduces everything to a single question. But there are many political issues in the present that don’t fit so easily into this framework.

Do you think China should accept the independence of Taiwan as an independent state, more or less as Germany has accepted the separate existence of Austria? If so, would you extend the same principle to—say—Guangdong, if the local population decided its language, size and wealth entitled it to its own separate state?

Li Minqi: I have nothing to say about this question.

Wang Dan: Nor me. I haven’t studied this issue.

Wang Chaohua: The status of Taiwan is a problem left by China’s modern history. We can say that Taiwan has inseparable connections with the mainland, but it is also dependent on the protection of the United States. However, what is undeniable is that, in the past fifteen years, Taiwan has achieved a relatively high level of democracy. Without the efforts of the Taiwanese people, this democracy would have been impossible. Certainly Chiang Ching-kuo opened up the nationalist dictatorship, and Lee Teng-Hui has shown electoral skills,
but, had there not been the Democratic People’s Party and a brave popular struggle against the KMT, neither of these conservative politicians would have awarded freedoms to the population of Taiwan. Left to itself, the KMT would never voluntarily have given up power. Against this background of Taiwan’s history, to refuse the island the possibility of becoming independent amounts to directly denying the rights of the Taiwanese people. In my view, this would contradict the legitimate stance the CCP took when it supported the popular uprising of 28 February 1947 against the brutal rule of Chiang Kai-Shek’s governor, and violate the principles on which the PRC was founded. The People’s Republic was not established just to recover traditional territory. The PLA’s mission was liberate regions in keeping with the legitimate rights of local self-determination. Therefore the PRC should respect these rights in Taiwan today. If Taiwan voted in a referendum to reunite with the mainland, the PRC would surely accept that as the choice of the Taiwanese people. If it voted for independence, the mainland should accept that outcome too. Meanwhile, as a first step, the PRC should give up the threat of force to recover Taiwan.

The critical issue here is political. Those who base the case for Taiwanese independence on claims about the special character of Taiwanese society or language have a very weak argument. Historically, as the centre of a civilizational complex, China treated neighbouring regions not according to their degree of linguistic similarity or difference to its own culture, but according to the compatibility of their socio-political systems with its empire. Where local systems could be structurally subordinated to the centre, language differences were subdued as an issue. This explains why Guangdong, where Cantonese is no less distant from Mandarin than the version of Fujian dialect spoken in Taiwan, shows no sign of wanting to break away from the PRC, which is firmly in control of the province. Similarly, if we compare the situation in Tibet and Xinjiang, we can see a related contrast. In Xinjiang, although Uighur and Han languages were completely different—there are other ethnic and linguistic groups in the area as well—for a long time the basic political structures were highly dependent on a central government external to the region. The situation was much the same with the various khans and lords in Inner and Outer Mongolia. Typically, they were not autonomous enough to dispense with resources and support coming from outside the region. By contrast, the political and institutional structures of Tibetan society were highly independent of the Han world. So, when the PLA overthrew the feudal system there, and the CPP sent its cadres out to mobilize ‘class struggle’ for ‘land reform’ and other theoretically progressive changes, the character of Tibetan society was deeply damaged, leaving lasting problems to this day, which there is no prospect of overcoming under Han domination.

*What is your view of the Chinese war with Vietnam in 1976?*

**Li Minqi:** I have nothing to say on this question.
Wang Dan: I don’t know anything about it. I was only ten years old at the time.

Wang Chaohua: Although I am not very knowledgeable about the war with Vietnam, my impression is that it was launched to distract domestic attention, not unlike the Sino-Soviet border conflict of 1969. The war was the occasion for a huge propaganda campaign at home, as if it was a great national emergency. The CCP régime invested tremendous efforts in trying to mobilize public opinion behind nationalist slogans. Vietnam was portrayed as a ‘regional hegemon’ that needed to be taught a lesson by the Chinese. There was very little political argument in the official propaganda, unlike the heated polemics with the Soviet Union in the early 1960s or even in 1969. People just knew we were fighting. What was the background? One factor was that a young generation of military commanders had come to power, with the reorganization of the armed forces after the fall of Lin Biao and the Gang of Four. They saw an opportunity to assert themselves and acquire battlefield prestige. Hence there was a constant rotation of regiments to the front, so that as many troops as possible could gain experience of a ‘real war’.

What was the attack for? The war was not aimed at expanding territory, and the army was withdrawn from Vietnam when hostilities ceased. In this sense, it looked similar to the Sino-Indian War of 1962 Sino-India war, when Chinese army advanced across the MacMahon line, over-running a large area of land, but then withdrew completely behind its borders. From the other side of the border, in Vietnam, because there was no seizure of land, it might be more accurate to call the war an act of aggression, rather than an invasion.

Are there any issues on which you would have wished China to vote differently from the US or its allies in the Security Council?

Li Minqi: This is not a very comfortable question. But I believe the Chinese government should oppose the United States whenever it displays its imperialist armed force, imposing its hegemony on other countries.

Wang Dan: I think each country should vote according to its own national interests. If something is harmful to the Chinese state and nation, China should vote against it. I don’t care how other countries vote.

Wang Chaohua: Since the visit of US President Nixon to the PRC, China’s foreign policy has lost any basic principles. Earlier, whatever it sought to say or do was grounded on certain coherent principles, whatever we think of them. According to these, it selected its international partners and provided them with material assistance, when this was needed. Since the Nixon visit, there have been no principles in Chinese foreign policy at all. Without any
firm compass, for many years, Chinese diplomacy seemed very cautious. This caution was not just a question of uncertainty, it also had an unspoken sense of learning, as China watched other players to see how it could obtain higher gains. If we look at the results, merely to ask how it should have voted differently from the US is not enough for me. Certainly, I would have wished that it opposed the recent bombings of Iraq. But the PRC commits reprehensible acts of its own. For instance, two years ago China vetoed a Security Council resolution to send a peace-keeping force to Guatemala, where, for three decades, military governments had brutally suppressed native Indian populations and waged a civil war, and peace negotiations were extremely difficult. But because Taiwan was invited by the Guatemalan régime to take part in the peace-keeping plan, China blocked the scheme, delaying a UN-monitored truce between the army and the guerrillas. In this case, it would be very hard for us to say that China should vote for whatever is in its national interest, since the PRC certainly believes the recovery of Taiwan is in the country’s interest.

**Wang Dan:** Of course, I wouldn’t disagree with that.

**Wang Chaohua:** Looking ahead, though the Permanent Members of the Security Council are themselves a Big Power club, a democratic China holding a seat there should make every effort to ensure that international relations are based on the pursuit of peace, justice, and equality among UN members.

The Chinese government and the Chinese opposition paradoxically often express a common admiration for the United States. What head of state other than Jiang Zemin has ever urged his nation’s whole youth to see a Hollywood film, as a high moral duty? Are you ever puzzled by this? Do you have any serious reservations about American culture or society yourself?

**Li Minqi:** I feel no surprise that both the Chinese government and the opposition admire American culture. I’ve explained that the growth of large-scale commercial culture does not necessarily hurt the current régime. For myself, as a Marxist, I naturally have serious reservations about American popular culture.

**Wang Dan:** I’m sceptical about the premise of this question. I feel it’s a joke to speak of the Chinese government’s or Jiang Zemin’s admiration for America. I don’t think Jiang really urged everyone to watch a Hollywood movie as a moral duty. He is a politician who likes to perform; he’s an amateur actor. He also has strategic motives, and a taste for Americana. All of this is very utilitarian. We should not base any evaluation on it. The opposition’s admiration for America also needs to be analyzed a bit further. You can find some criticisms of the US among certain opposition figures. For example, Wei Jingsheng quite often criticizes the American government. But it’s true the general attitude is one of admiration. But how deep is
their understanding of America or American culture? I doubt it has much depth—it is rather like that of the Chinese government. It cannot be regarded as real admiration or a real desire. As for myself, since I have only been a short time in the US, my understanding of American culture is limited and I have no criticisms to make of it.

Wang Chaohua: In my view, we can indeed observe a widespread admiration for American culture among Chinese dissident groups, the Chinese authorities and the general population in China. But the attitudes of these three forces need to be differentiated. What attracts them in the spectacle of the United States is not at all the same. The government is primarily concerned with the US as a great power, which it would also like to be. It therefore seeks to cooperate with the American government over most issues, with the exception of a few particularly sensitive questions like Taiwan. The general population is more entranced by the glamorous image of America projected by the mass media, which, in all kinds of ways, take their inspiration from the US. Here, the impact of commercial culture is very clear. On the other hand, among Chinese dissidents, or intellectuals more generally, it is conceptions of liberal democracy and human rights that are typically associated with the American example. These ideas have European origins long before the US existed, in the Renaissance and the Enlightenment. But the United States was the first example of a political system based on them that was directly created by institutional design, rather than through a slow development greatly conditioned by older traditions. Of course, the abstract principles and the concrete practices of the American order are not the same. As Qin Hui says, we must distinguish between abstract and empirical freedoms. The empirical freedoms of US society are limited by the severe hypocrisies of American capitalism. But we still need shared general concepts of abstract freedom, to be able to distinguish between hypocritical practices and genuine mistakes. Without them, we can’t even speak of the hypocrisies.

Li Minqi: The abstract principles you talk about were developed by Enlightenment thinkers exactly in response to the social needs of the propertied class.

Wang Chaohua: We need to ask against whom the idea of protecting property arose. It was not an idea initially conceived as a safeguard against the masses. It was directed mainly against monarchical régimes and the aristocracy.

Li Minqi: No, it was not aimed at feudal lords. The US constitution was designed to protect creditors’ interests against the interests of farmers who were then the majority of the population.

Wang Chaohua: You are talking about the specific design of US Constitution, whereas I was talking about the origin of such ideas.
Li Minqi: Historically, the ideas of Montesquieu and others were closely related to the question of how best to protect the interests of the propertied classes to which they belonged. What you call abstract freedom is actually not that abstract. It reflects concrete interests.

Leo Lee: All of you are trying to raise this question to an ideological level. But the question is about contemporary American culture. You have not expressed your opinion about Titanic, or the President of the PRC’s commendation of it.

Wang Dan: Jiang Zemin was just performing a show. ‘Everyone should watch it to raise their moral level’ [imitating Jiang].

Wang Chaohua: This is similar to the way all Western politicians nowadays are talking about family values. It is quite ideologically instrumental. In this case, we may well talk about commercial culture being a political opiate.

Wang Dan: No, Jiang’s promotion of Titanic has no ideological meaning. It was simply personal—he wanted to show off, as a politician who is open-minded, with an understanding and a taste for things from the West. He could have arbitrarily have picked any movie.

Wang Chaohua: Then why didn’t he pick, say, Schindler’s List? Why did he choose particularly Titanic? There must have been some element in the film that resonated in him, or which he thought he could use for his own purposes of moral propaganda. In this case, it was not family values that he was promoting. Jiang talked about the ‘gentleman’s value’ of sacrificing oneself for others. The sub-text was: look, even the Americans are advocating such values, so Chinese youth should surely do so.

Wang Dan: In fact, the fundamental theme of Titanic is not about moral values at all, it’s about romantic love. That’s why I said he didn’t understand the film, he was just performing. Any movie would have done as well.

Leo Lee: At this point, I want to say something. Do you know that President Jiang said that he loved three movies above all others in his life? One was Gone with the Wind. The second was a Broadway musical called Green Bank on a Spring Morning. The third one was A Song to Remember, about Chopin. All three were produced in the 1930s and 1940s. So you could say that this was part of his personal experience as a young man watching movies in Shanghai at that time, when these films caused a sensation. All were about love. More importantly, however, they were all very well made. Why? Because most directors at that time came from Europe. Hollywood then was very different from Hollywood today, in technique, forms of expression, and content. Jiang, by connecting Titanic with this type of movie, showed
his ignorance of the cinema. For the leader of a country to talk
carelessly about this kind of issue is a bit of joke. If a US President
exhorted all Americans to see a movie for moral uplift, he would
become a laughing stock. There would be a thousand cartoons
ridiculing him. Of course, you could say Jiang also considers himself
a human being, and might simply be trying to say that he loves
movies. Or that he wants to show his appreciation of films in the
same way that he likes to show that he understands German and
English. Actually, *Titanic* has a quite different significance. It is a
story about Western modernity, high technology and money at the
beginning of the twentieth century; then the ship crashed and sunk.
This is the symbolic meaning of the movie. But nobody in China
discussed it. The film won its audiences as high-tech entertainment.

**Wang Dan**: What attracts people are those amazing spectacles,
which are extremely beautiful. The whole sky is full of stars and
people are fascinated.

21 February 1999

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**Postscript**

*What is your view of the bombing of Chinese embassy to Belgrade by the
United States? How do you interpret official and popular responses in China
to NATO’s war in Yugoslavia?*

**Li Minqi**: The attack on Yugoslavia is an imperialist war without
legal or moral justification. NATO’s ‘humanitarian mission’ has
already killed over a thousand civilians, and made millions homless
and jobless. The American bombing of the Chinese embassy was only
one of these crimes. Whether or not it was premeditated is a
secondary issue, although all serious technical analyses suggest how
difficult it would have been to make such a mistake. The main point
is that the bombing of the embassy simply demonstrated how crazy
and barbaric NATO’s war has become.

An unintended consequence of it has been to educate the Chinese
people in a brutal, but effective way. Ten years ago, Chinese students
celebrated the Statue of Liberty, symbol of Western bourgeois
democracy. Today they are burning the American flag in the streets.
The anti-imperialist demonstrations in the big Chinese cities mark a
sea-change in outlook. A new generation of students and intellectuals
has begun to understand the limits of ‘freedom of the press’ in the
West, as they see the way Western media have served as propaganda
outlets for the war, suppressing alternative voices, and has started to
question the nature of the political system in whose name it is being
fought. For the first time in many years, socialist terms and ideas can
be heard again. This is a very encouraging development. Meanwhile, liberal intellectuals used to glorifying everything from the West are in serious disarray. Those who have chosen to echo the mainstream media in the West have shown their complete indifference to the feelings and wishes of ordinary people in China. Their influence on the newest generation of students has consequently been greatly undermined, if not yet altogether discredited.

Wang Dan: The first large-scale student movement in a decade exploded in a score of Chinese cities, starting on 8 May, in protest against the bombing of Chinese embassy in Belgrade by NATO. I supported this, for two reasons. Firstly, patriotic passion is a valuable force in itself. It was just this passion that students brought onto the streets of the country in 1989. As Chinese, we ought to uphold the honour of our country and the dignity of our nation. Secondly, it is a positive sign that, after ten years of silence, college students are once again speaking to society. In the 1990s, the mercenary calculations of a commercialized society overwhelmed idealistic social concerns among Chinese youth. Consequently, the traditional role of students as a klaxon of public issues virtually disappeared. I hope what we now see is a new beginning, which will revive among a younger generation of students the spirit of personal responsibility for the fate of the nation ['the concern of each for the prosperity and ruin of all under heaven'—moral imperative from Ming times].

However, as the high-tide of this student movement recedes, we also need to reflect calmly, and make three distinctions. Firstly, we need to distinguish patriotism from nationalism. Patriotism is a virtue, whereas nationalism—once it becomes emotional—may not be to the long-term advantage of the country. There were some excessive actions in this latest student movement, such as setting fire to the American embassy or consular buildings, assaulting foreign journalists, and so forth. Although these were not the main trend, they showed the danger of too emotive a protest. The student movement should stick to the principles of peace, reason and non-violence. Secondly, we need to distinguish between the country and the state. We love China because we are the people of China, not because we are subjects of the Chinese government. So, when we give expression to our patriotic passion, we still need to think for ourselves. For example, when Japan repeatedly challenged China’s claim to the Diaoyu islands, or mobs viciously attacked the Chinese minority in Indonesia, the PRC authorities twice refused to grant Beijing students permission to hold protest rallies. Obviously, political purposes other than defending national dignity were behind this double standard.

Thirdly, we need to distinguish conjunctural reactions from long-term strategies. We strongly condemn the bombing of our embassy by NATO member states, but we must not extend this to a rejection of everything Western or American. If the current conjunctural reaction
were to be perpetuated as the basis of a long-term strategy for China, the country would revert to a bygone 'Closed-Door era'. History has shown that, without opening its doors to the outside world, China cannot become a strong power.

Wang Chaohua: I believe that NATO’s air strike against Yugoslavia is illegal. This is an invasion of a sovereign state whose government was—not perfectly, but in a rough way—democratically elected. Such armed intervention in the affairs of another country by big powers implies a revival of a colonial outlook in new forms. NATO justifies its actions on the grounds that the sovereignty of the ‘nation-state’ should today give way to ‘universal’ values. Meanwhile, not a single NATO state has given up its own national security apparatus, or shared its wealth with those who are suffering the consequences of frightful inter-state wars in Africa or financial crises in Asia. Instead, NATO wages war against the Serb nation in Europe, dropping cluster bombs on residential areas and shattering the country’s infrastructure, plunging an entire people into misery, in the name of helping the Kosovars, whose life has also deteriorated immeasurably since the air attacks started.

Many Chinese were sceptical about the US-led intervention in the Balkans from the start. When five American ‘smart’ missiles hit the PRC embassy in Belgrade, it would have been unimaginable if the Chinese people—with their own memories of Western colonial arrogance—had not reacted spontaneously and strongly. It would also be surprising if they had easily accepted official explanations that it was a ‘mistake’ by the CIA, without any sign of a thorough investigation of the operation. At the same time, the Chinese government is heavily handicapped in its response to the attack by its economic dependence on the flow of inward Western investment. Beyond a pro forma appeal to the United Nations, whose impotence in the Balkans was made clear from the outset, the PRC took no serious diplomatic measures to disturb the course of the war. Its only gesture was to break off talks with the US about human rights—as if refusing to discuss its own violations of them in China, rather than indicting American violations of them in Yugoslavia, was an intelligent response to the bombing!

31 May 1999