

## **People's need is the orientation and motivation of Reform**

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In the People's National Congress (PNC) and the Chinese People's Political Consultative Conference (CPPCC), both President Hu Jintao and Premier Minister Wen Jiabao emphasize that China will be determined the orientation of the reform and further strengthen the decision and belief of the reform; unalterably advance the reform and opening.....though there are many troubles in the reform, we can not suspend the reform because there is no way out for us to go back into the past. The reform in China has been carried out for 27 years; the Chinese leaders still highly declare the decision of the reform, which obviously embody a great signification.

From the public opinion, the top leaders respond the three debates on the reform through the words of Without waver and Unalterably? In the declaration. Since the economists Lang Xianping and Gu Chujun debated on the property right of the state-owned enterprise in 2004, the argument on the marketization reform has spread from one and another fields, and now it is the argument on the basic orientation and path (method) of the reform, even is whether we need to insist the reform. What more, the discussion is beyond the economic world and all classes in China are involved by the Internet. As saying from the most celebrate economist, Wu Jinglian said that this debate had entered the third stage after the last two in the middle of the eighties and the early of the nineties of the twentieth century.

Now, the national argument is still going on, the second report of Gong Xiantian and the article Rational Reflection on Reform in China written by Zhang Weiying all bring a new debate.

Debate: True interest request with the masks of ideological rhetoric

The big difference from the last two debates is that the most of criticisms of this argument focus on the concrete difficulties in the reform, not the reform itself. Different interest colonies have emerged during the last 20 years' reform, which is one of achievements of the reform. Most people criticize the reform in this argument just due to their own interests, but no more the controversy of the ideology.

In the earlier time of this year, the magazine Finance and Economics published the article <Unshakable Reform> written by Huangpu Ping, to counterattack the trend of thought of negative reaction to the revolution in the named of Reflecting on the reform. The basic point of this article is the same as another one in 1991, but it gets the different response – Many people make comments on it on the Internet:

I am against the medical reform; does it mean I am in the opposition of the reform? I am against the educational reform; does it mean I am in the opposition of the reform? I seek my own proper interest; does it mean I am in the opposition of the reform? If the so-called reform damages my interest, will I support it?

15 years past, all debates about the reform, both the favorites and critics, are not on the same ground to develop their arguments.

Obviously, the last two debates on the reform happened only among the leadership and the key issue is whether our society need to reform. In fact, the argument on the economic reform actually is on the politics and ideology and accordingly to the reform has advanced through the leadership broke out the ideology by theoretical innovation. After Deng Xiaoping declared “no debate” in 1992, the ideology has been faded away gradually. This argument since 2004 is brought by the new difficulty and conflict during the course of the marketization reform and focuses on the people’s life including education, medical treatment, house, pension, the loss of state-owned assets and the big difference between the rich and the poor, which all belongs to the adjustment of the concrete interest structure.

For the social interest has been subdivided in the last 20 years, every social class has realized their own interest request. If the interest requirement can be expressed successfully and promote the adjustment of interest structure, the big debates cannot come out.

However, there is no mature mechanism and channel for them to express their interest request, especially the ordinary people; they always become the “silent mass” in the course of struggling. With the appearance and popularity of the Internet, the ordinary people get a creative platform to express their opinions on the reform. For the opening of Internet and the clarity of information, people began to receive some information on the reform and voice their views to form the Internet consensus, which is the character and precondition of this argument.

On the other hand, it is very limit for the public to express the their opinions by the internet because most of people in the country and unemployed people in the city have no chance and ability to get the facility to internet, even these people only make some insignificant complaints by the internet, so they indeed need a representative mechanism and channel for them to express their request.

Based on these facts, some intellects who in the name of the “speaker” of the grass roots become the substitute of this representation mechanism and channel, they take the internet as a new platform to explain the concrete difficulties such as education, medical treatment, pension and so on by the anti-marketization theory, and thus they get the result that all of difficulties are brought by the marketization reform. In July 15th, 2005, economist Liu Guoguang uttered the article “Talking with the young in the Social and Scientific Central of Education Department” and criticized fiercely that the western economics became the overwhelming trend in China now. In October, 2005, Gong Xiantian, the professor in School of Law of Peking University, wrote an open letter to the head of the People's National Congress Committee Wu Bangguo and the National People's Congress Committee, in which he said <Realty Law (draft)> broke the socialist cardinal principle and disobeyed the rule of historical development. With the population of the open letter in the Internet, many people start to debate the distinction of “in the name of socialism or capitalism. For Lang

Xianping is regarded as the speaker for the poor, he receives the unanimous support in the Internet. According to the public-opinion investigation of Sina and Sohu, about 80% netizens support Lang Xianping.

Comparing with the analysis on the concrete reforming item in the concrete field, the sentimental denial to the marketization reform can be easy to get the support of the people whose interests have been ignored in the reform. It is possible the finally submerge the normal expression and communication of interest and then will lead the argument into departing from the most valuable orientation.

The reform cannot be shaken, the discussion on the gain and lost of the reform also can not lose the correct orientation.

Warning: disappearing motivation of the reform

Through holding the market, the state-owned enterprises are not only getting rid of the economic pressure, but also gain a great profit, so it is not necessary for them to open the market. On the contrary, they are more than like to want to strengthen the monopoly, which results in the disappearance of motivation of the reform.

Adversity leads to prosperity. The reform has happened in the poorest country of China firstly and settled the basics of the countrymen. With the release of the enthusiasm for labor, the productivity of the country has been raised rapidly. At the same time, the standard of living of townsmen has been improved because of more farm produces; consequently the reform in the city has started in service and sales industry. Though the reform never touches the acquired interest before, it still has provided more occupations and improved the standard of living, so the reform has achieved the full support of the commons people and acquired the great motivation. In fact, the policy of reform is easiness first and hardness afterwards, for example, the reform of state-owned enterprises is carried out in the debt-ridden enterprise firstly. Actually, for there is a great economic pressure for the government and enterprises, they have much motivation to carry out the reform so as to get rid of the financial burden.

Today, the motivation arising from the adversity has disappeared gradually; contrarily more and more restrictions from the acquired interest group have emerged. As the reform further develops, there will be more difficulties. Today the reform is in the crucial moment.

Just take an example for the reform of state-owned enterprise; there are only central enterprises and local public enterprises (such as telecom, Petroleum, water, electricity, gas, education, medical treatment and so on) in China. With the rapid development of the national economy, these enterprises have achieved the great profit through holding the market. According to the data, the profit of state-owned enterprises in last year is more than RMB900, 000 million, Chinese Petroleum is RMB175, 600 million. As a result, these monopolistic or half-monopolistic enterprises not only refuse to reform but also restrict the opening so as to enhance the monopoly in the name of industry consolidation and restricting the vicious competition. According to the report of the latest Phoenix Weekly, the post enterprise is preparing to modify the Law of Post so as to hold the market of

domestic express delivery for the parcel within 350g. Another report of First Finance in March 14th, the legal office of the State Department modified the draft of Anti-monopolistic Law in the early of 2006; the whole Anti-administrative monopoly has been deleted completely.

In fact, these monopolistic enterprises have increased their profits through adding the burden of the customer not creating more fortune. As a result, the social cost has increased and the competitive ability of Chinese economics has been weakened. For example, the inflation in last two years has arisen from the markup of the monopolistic public products such as water, electricity, gas and so on.

Through holding the market, these enterprises have not only got rid of the economic pressure, but also acquired a great profit, so they have no desire to open the market and expect to enhance the monopoly contrarily, which results in the motivation of reform disappears. The reform of medical treatment, education and housing always could not get people's support because the reform of these fields have halted once these interest groups acquired the monopoly.

On the macro view, Chinese economic reform is to restrict the power (especial political power) and force it to withdraw the market. During the course, we must not ignore the relative restriction and absolute extension of the power, which means that the power had controlled everything in planned economic age but the total social fortune is not much; however, the power has been restricted after the reform and opening, but it can control more social fortune because of the economic development. So even now the government still has the mightiest power, which not only baffles the settlement of old difficulties, but also brings more new ones.

The deceased economist Yang Xiaogai had a profound reflection on the reform—Inferior position of late Comer (starter): the late starters have a chance to learn something from the improved country such as technology, capital, information and etc, so many improving countries can develop and reduce the difference with the improved countries rapidly. However, for extremely depending on the late starter's advantage, the improving country is easy to lose the desire for the reform and ignore the reform of the system.

In fact, how can we rest easy though we have the late starter's advantage? It is impossible for us to monopolize the advantage of plenty and cheap labor. In recent years, India, Russia, East Europe and Southeast Asia are extending the opening. Comparing with China, either the cost of labor is cheaper or the quality is better. Actually, there is US\$250,000 million foreign direct investment entering developing countries every year, but only US\$50,000 million dollars in China. Depending on the annual growth rate of 10 percent, India and Vietnam have become the global capitalist's land that must fight for.

Several years ago, Mr. Jinglian made a conclusion that the reform was in the key stage, which is absolutely available for now. The key is to destroy the power monopoly by the variety of competition and rediscover the motivation of the reform by the integrating reform. In order to accomplish the purpose, the best way is to change the reforming model.

Transition: Replace the government initiation model with the governance model emphasizing public participation

If we establish the reform of public participation, it is not enough to make some comments by the Internet, we must have a systemized mechanism which can guarantee the whole society can participate in the reform freely instead. In stead, how to stimulate the system of the people's congress, how to guarantee the representative of every different interest class can discuss, bargain and reach the compromise through the People's Congress.

For the reform in China has been led by the government from the beginning, that is the reform of government lead of "internal control", what left to people is only following. However, with the emergence of the difference and struggle of interest, there are different social classes with different interest requirement, so they are eager to struggle for their own interest and dissatisfied with the follow, they need to voice their opinions and enter the reform.

With the appearance of the Internet, there is a wonderful platform for the people to participate in the reform. It is first time for them to have the right to speak to voice their requirements and form the public opinion in the Internet so as to affect the concrete reforming policy.

The reform should be the international result between the government (elites) and the public people, if there are no commons people entering the reform; it is easy to bring the oligarchy. In the internet, people disapprove the reform on the property right of state-owned estate, medical system, education and social security because there is a big limitation in original reforming procedure so that the requirement of the correlative interest groups can not be expressed beforehand and the right and interest of the commons people can not be embodied in the reforming planning.

Apparently, we must reach a consensus on the reform today: we can not go back though there are many difficulties in the advancing course, so we must transform the reforming model from government lead to commons participation so as to break a new path.

In order to accomplish the transition, we must establish a participative democracy so that the public can acquaint, discuss and participate in the management of public affair. Currently, the medium and internet can provide a platform to satisfy the public's right to know and request for speech through the release of news so as to form a system combining the expression, participation and effect, which not only cultivate the civil consciousness, but also embody the participative democracy. Additionally, government leaderships from the center to the local have considered much of the public opinion in the Internet and displayed a pose of decision democratization. From the wave of Netizen asking the Prime Minister before Wen Jiabao's press conference of this year, we can confirm that it is a real truth and tendency to participate in the democracy by the Internet.

However, the Internet democracy is just a reference platform if there is no institutional power to support it, and the dissatisfaction and obloquy in the Internet cannot play the role of restriction if the intellectuals persist the oligarchy. In fact, we must guard against and worry with the appearance of the conflict between intellectual oligarchy and Internet populism.

During the period of the People's National Congress (NPC) and the Chinese People's Political Consultative Conference (CPPCC), the public requires the representative of the National People's Congress to change the responsibility from "degree representation" to "interest representation". In

addition, the reform of government system and the construction of rule of law such as the establishment of the system of public finance and public hearing, and the opening of government information must be carried out so as to guarantee the public to participate in the reform.

It is a large responsibility to accomplish the reform; we cannot succeed in the reforming transition in one step. During the key and fragile stage, the intellectual should ingeminate the common sense, consolidate the consensus and hold the mainstream value orientation. On the condition of the differentiation and struggle of the interest, the intellectual not only needs to pursue their own interests, but also consider and speak from the point of common interest.

In fact, regarding the reform in China, we have to “wade across the stream by feeling the way”. For example, for there is no tradition of market economy in China, even the reforming leader had not cleared how to operate of the market during the last long time. In addition, there is lack of the tradition of rule of law in the history of China; few people had the knowledge about the constitutional building, rule of law, democracy, human rights and etc in the beginning of reform. The economist provided many key suggestions on the reforming planning of economic system first, and with that the jurist began to participate in the reform and promote the central government to add the governing by law to the constitution and regard the state with an adequate legal system as the purpose of the reform of political system. Moreover, through the adding of the private property to the constitution and drawing the draft of <Realty Law>, the protection for the private property has got legalized.

For the reform is in the new stage of the transformation, the intellectual must play more important role as the represent of the grass roots and give more suggestions for the leader. Actually, if the intellectuals have a consensus on the mainstream of value orientation of the democracy, freedom, rule of law, justice and human rights, it is very necessary for them to debate the concrete policy of the reform in the Internet and on paper.

Consensus: Turn back to the attitude and guidance of seeking truth from facts

What is the reforming orientation? The answer is people’s voice of the medical treatment, education, pension, anti-corruption, narrowing the difference between the rich and the poor, just justice etc. We need to express fully these requirements, keep on the rational speech and discussion, establish the mainstream of value orientation, insist on the principle of finding fact and perfect the mechanism of commons participation and struggle for interest.

In fact, the more truths from facts we seek, the more consensuses we have.

In the current debate on the reform, there is a great difference for every group. Sociologist Sun Liping said that the formal consensus on the reform had broken already, so we needed to establish a new one. However, how can we reach a new consensus for there is so big divergence?

Today, we have abandoned the attitude of seeking truth from facts, which is the key for us to achieve the success. For the whole society is involving in the blundering atmosphere, people are

easy to absolutely affirm or completely deny it before they find any evidences. For example, Lang Xianping accused Zhang Ruiming of invading the national estate.

These similar arguments are all lack of evidences and the procedure of rule of law, so it is almost impossible to reach a consensus.

In other words, if we need to reaches a consensus on the argument of the reform, we must readopt the attitude and principle of seeking truth from facts. According to the experience of western countries, they would establish a special organization to collect the information and investigate the policy and method to solve the concrete problem when they met these perplexities and divaricating. Now the public in China concerns with the medicine, education, pension, housing and etc, so the government, intellects and the media can organize some institutions to investigate every industry, collect full evidences and clarify basic problems. Based on these facts, we can discuss whether we adopt the marketization or not and reach a consensus.

During the last twenty years, the reform has led by the government. But now, the common people begin to awaken and utter stronger voices. For example, the affair of Sun Zhigang results in the cry for constitutional review. Besides, the movement of villager election in the country and owner's right in the uptwon has been carried in full swing. The consciousness of right based on people's own interests is permanent and stable and faces the essential of the reform so as to promote it. There are kinds of doubts on reforming dissimilation and reforming fading, we want to know what is the orientation and motivation of the reform. The answer is people's requirements of the medical treatment, education, pension, anti-corruption, narrowing the difference between the rich and the poor, just justice and so on. We need to express fully these requirements, keep on the rational speech and argument, establish the mainstream of value orientation, insist on the principle of finding fact and perfect the mechanism of commons participation and struggle for interest.

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