

Feb. 5, 2004 Boston Local Group Meeting

Tony Saich gave a presentation (i.e., a Ford Foundation reproductive health project in Yunnan), Cao Tianyu (Boston University) talked about a Nov, 2003 round-table discussion on “social justice” and “constitutional amendment.” Their presentation was preceded by Jing Wang’s summary of the discussions on *xiaokang* that took place in the previous meeting.

1. The key term “tongchou” (centralized coordination) is seen as an important policy instrument to carry out the vision of *xiaokang*. Among the five *tongchous*, the “rural/urban centralized coordination” (*chengxiang tongchou*) is the most important.
2. There is a general consensus in the PRC that the fundamental key to achieving a *xiaokang* society lies in the solution of the Three Nongs problem (peasant, village, and agriculture).
3. The source text of *xiaokang* in the Book of Rites: to paraphrase it: Now that the Grand Way has fallen into obscurity, the success of the kingdom is measured by the prosperity and management of individual households. The traditional concept of *xiaokang* is delivered in following terms: the head of a family be good to his own parents/children, rule his household in propriety, do his best to accumulate articles and exert strength to his own advantage.
4. To recap the article written by sociologist Lu Xueyi: Lu places emphasis on (i) using the social index rather than economic index to define the meaning of *xiaokang*; (ii) social justice in lieu of economic growth; (iii) the need to distinguish *jiejue wenbao de xiaokang* (a bottom-line *xiaokang* society that fed and clothed people well) and comprehensive *xiaokang* (*quanmian xiaokang*). The latter *xiaokang* is a higher state of *xiaokang* demands a GDP much higher than USD\$3,000. Lu Xueyi came up with his social index for “comprehensive *xiaokang*,” among them, the employment ratio for the tertiary sector, level of food and electricity consumption, ratio of doctors per thousand households, floor space per household, etc. According to him, comprehensive *xiaokang* requires that rural labor not exceed 15%, rural population not exceed 50%, college entrance ratio not go below 20% of those eligible for college education.
5. The economic index for comprehensive *xiaokang* (handout)
6. Jing called attention to a recent article written by Cui Zhiyuan in which he explores the theoretical foundation of *xiaokang* socialism. Cui traces it back to petty bourgeois socialism, listing three major thinkers Henry George, Pierre-Joseph Proudhon and John Mill. They all critiqued big capitalism from the petty bourgeois position and proposed ideas of promoting a cooperative relationship between capitalists and laborers. So Cui thinks that the Chinese style of corporatization (*gufen hezuo zhi*) bears strong resemblance to the PB socialist models. He proposed that the Chinese use the theoretical framework of PBS to make further experiments with institutional design and system innovation for *xiaokang* society.

Tony remarked that during a recent visit in Beijing, he was struck by how quickly the *xiaokang* policy talk was institutionalized in the Chinese system to connect to the government’s millennium goals.

## Tony's Presentation

Tony started with a discussion of the Chinese popular perceptions of “poverty” – cultural assumptions that lie behind national policies about why those target groups are “poor.” Three premises influenced the current thrust of poverty-alleviation policies –

- (1) the ecological factor (poor people reside in places that are ecologically disadvantageous)
- (2) inadequate marketization in those areas
- (3) the quality of the poor people (*suzhi taidi*)

Those cultural perceptions resulted in infantization policies and welfare oriented policies.

Ford Foundation is interested in redressing those biases. Asset building of poor rural communities is their mission. But sometimes even those measures fell short of finding out what the poor people really need. The reproductive health project in Yunnan initiated a new approach of giving voice to poor rural women, building their participation in interventionist programs.

The challenge was: how to access those women as individuals?

Technique: photo novella – distributed 150 disposable cameras to those women and asked them to take pictures of what was important to them. Photo novella proved to be effective to make local people speak about local conditions. Those photos then serve as bases for discussions about locally determined needs.

The Yunnan project discovered three sets of priorities for those poor rural women:

1. Rural backbreaking work – how to reduce female labor: The Ford Foundation recommended the use of biogas in lieu of woven pine needles, which is very labor intensive.
2. Needs of child care
3. Income generating activities: The Foundation suggested training for activities that could generate more household income, such as pig farming, handicraft production, and handicraft distribution.

The project ended up in a very different direction from what a conventional RTI (Reproductive Track Infections) project would lead to.

## Cao Tianyu's presentation

Cao reported on a round-table discussion held in the Friendship Hotel, Beijing, on 11/29, 2003. Lian Zhiping, the director of the Shanghai Institute of Economy and Law, supported by Wu Jinglian, served as a moderator, bringing together the New Leftists and the Liberals on a panel to talk about social justice, development, and legal system.

Background (i) After the announcement by the CCP Central Committee about constitutional amendment, the same institute organized discussions in June, 2003, with clear intention of putting pressure on the CCP to include the protection of private property in the Constitution. This was followed by CCP's decision that the constitutional amendment is exclusively the business of the CCP leadership. In this changed context, the organizer changed the title of the three-day conference. But the underlying subtext was still constitutional amendment; (ii) the organizer tried hard to integrate the strengths of the new leftists into the main stream liberal discourse. (iii) the

round table was the central piece of the conference, with 9 speakers giving short, direct to the point presentations of 5-10 minutes, followed by comments and discussions.

The round table started with the discussion about social justice. There was no disagreement between the New Left and the Liberals concerning the causes of injustice, which were identified to be (i) corruption, (ii) no rule of law, and (iii) ill-conceived redistributive system. But then, related with (iii), differences emerged: Polarization was stressed by the leftists, and John Rawls (Re: A Theory of Justice) was appealed by the liberals.

At this juncture, Li Qian of Peking University declared that all discussions about social justice could not be detached from China's specific context, that is, development. In his view, without development, no justice would be possible; or if it were possible, such as the so-called “just society”(claimed by some new leftists) in a form of universal poverty, it would be meaningless. Then he further declared that (i) in order to have development, we have to establish and perfect the market system; (ii) only market can bring us development; and (iii) market is the most just social institution because everybody entering market is equal and at his own will.

If market is the only and perfect social institution in which social justice can be realized, then, Li, and many other liberals, raised their voice to stress the crucial importance of protecting property rights. And Qin Hui got a chance to re-claim his favorite topic of privatization but not plutocratic privatization.

Cao, who was not invited for the three day conference itself, and not an officially designated speaker for the round table, but since he was invited by Wu and Lian to sit next to them, he got a chance to speak. He completely agreed with Li Qiang that (i) discussions of social justice cannot be detached from china's context, and development is the order of the day; (ii) market is indispensable for development; and (iii) without the protection of property rights, no market would be functioning properly. Then Cao suggested that in order to address the roots of social injustice, we have to somewhat widen the scope of “property rights,” making it wider than it is conventionally understood. That is, in addition to the property rights of the capital, [in terms of cash, assets, means of production], or of the human capital, [in terms of those possessing managerial skills and technological know-hows], we should give the labor a status of human capital too; this way the labor would be empowered to have the right to share the surplus or profits, and one of important source of social injustice would be removed, although the other one, the difference between the insiders (employed) and outsiders (unemployed) remains to be addressed.

This comment of Cao's provoked protests from liberal economists, legal scholars and sociologists, and the ensuing discussion quickly slid into technical discussions about the fundamentals in economics, legal studies and sociology. Most important among the topics discussed are “how to assess the implication of manager revolution” and “how to understand the notion of human capital.” Is the notion of exploitation a legitimate one in economics, or just a fantasy of Marxists? Does the government or a legal system have the right to stipulate how labor contracts should be signed? etc. As can be expected, no conclusions could be reached.