

QIN HUI

## DIVIDING THE BIG FAMILY ASSETS

*Could you say something about your background?*

I WAS BORN AND grew up in Nanning, capital of Guangxi in south-west China, where my parents worked in the education bureau of the provincial administration. Both had been activists in the student movement against Chiang Kai-Shek's regime in Guilin, where my father was a local student at the Normal College. My mother had arrived as a refugee from Zhejiang in 1937. Both were members of the Democratic Alliance, a small party of intellectuals close to the CCP. In the early 1950s, they unsuccessfully applied for Party membership, and in 1957 were lucky to escape the Anti-Rightist campaign. Under their influence I became interested in political and intellectual issues early on. I can remember listening to broadcasts of the CCP's *Nine Open Letters to the CPSU* in the early 1960s, when I was only ten. I could recite by heart the entire text of some of those polemical exchanges of the Sino-Soviet dispute.

I finished elementary school in 1966, the year the Cultural Revolution broke out. I spent the next three years nominally in middle school, but since teaching was suspended, there were no classes and my class-mates and I were on the loose. When the first round of Red Guards—aimed not against 'capitalist roaders', but at the 'five black castes'—was formed in our school, I was excluded due to my 'non-red' family background. However, as elsewhere in China, this first rash of Red Guards was soon overtaken by a broader wave of youths responding to Mao's call to rebel, and in the mushrooming of further Red Guard organizations later that year, I quickly joined a dissident group, as one of its youngest members.

Initially attracting neither supervision nor attention, a few of us started to run a newsletter that became widely read. This was a very exciting experience for me, increasing my self-confidence. By early 1967, a new phase saw the consolidation of various smaller groups into two big opposing Red Guard organizations. That was the beginning of a conflict that led to some of the bloodiest battles of the Cultural Revolution.

Soon Guangxi became famous throughout China for the violent struggles among different factions of its Red Guards, which eventually burst into a full civil war. This was partly because Guangxi was the only region in the country where the provincial party secretary held onto power through the Cultural Revolution—everywhere else they were toppled. But Guangxi controls the supply routes to Vietnam, where the war with America was then at its height, and the local party secretary, Wei Guoqing, enjoyed excellent relations with the Vietnamese Party across the border, so Mao did not want him removed. Our faction battled against Wei in 1967 and 1968. Our base was mainly in a poor district of the city. Here I had eye-opening lessons in sociology. Our supporters were marginalized poor city-dwellers, who did not pay much attention to our ideological rhetoric, but voiced with great energy their accumulated grievances against government officials. Economic activities in our 'liberated areas' were also far from 'planned'. Rather, the ghetto part of the district was full of stalls and street vendors. When we students were at one point considering surrender after the Central Cultural Revolution Group leadership in Beijing announced unequivocal support for our opponents, the poor wanted to fight on. They included port and ferry workers on the Yong River, whom the faction led by Wei accused of being a *lumpen*-proletariat, closer to a mafia than a modern industrial working class. The contrast between the rhetorical slogans of rival student factions and the actual social divisions between the groups that rallied behind them was striking, too, in Guilin, where I travelled in the winter of 1967. There, unlike in Nanning, our faction held municipal power, while most of the poor supported Wei's faction, and resisted efforts to bring them to heel. In effect, ordinary people tended to support the weaker side in these conflicts—whoever was out of power—and once they had made their choice were also more resolute than students in fighting to the end.

The final show-down came in the summer of 1968, when Mao launched a campaign to bring a halt to the nationwide chaos before the Ninth

Party Congress in early 1969. In Guangxi, Wei and his allies mobilized some 100,000 troops and militants to crush the opposition, greatly outnumbering our group. There was heavy fighting in Nanning, where our people were barricaded in an old district of the city, with no more than a hundred rifles between us. Both poor city-dwellers and port workers suffered heavy losses, as did the students who stayed with them. Twenty of my schoolmates were killed in the siege. I was lucky to escape: just before the show-down, I had gone to my mother's home town in Zhejiang, so was away when the attack was launched. When I came back, our middle school, like all other work units and street committees in Nanning, was consolidating the regime's victory by setting up a new student organization under official control, ostensibly still with the name of Red Guards. The after-effects of the fighting were strong in this new organization and I did not become a member of it. But all students were mobilized to conduct 'voluntary' work to clean up the streets, many of which had been entirely levelled, in scenes reminiscent of *The Defence of Stalingrad*.

*What happened after the repression in Nanning?*

I was given the opportunity of continuing my 'education' for another two years. That I declined, with my parents' support. So I was sent with a mass of other youngsters to be resettled in the countryside. In 1969 I arrived in Tianlin County—in the mountainous corner of Guangxi, bordering Yunnan to the west and Guizhou to the north—to overcome the division between mental and manual labour by working with peasants. The regional district capital is Bose, where Deng raised the flag of the Guangxi Soviet in 1930. This is a Zhuang minority area, where the population speaks a language more closely related to Thai than Chinese. Three of us, all boys, were dispatched to a tiny village of eleven families, from which we had to walk a 60 *li*, or 20 mile, mountain trail to reach a highway—usually at night, to avoid paying for board and lodging—to catch a truck to visit the county town, some sixty miles away. Many villagers never got to Tianlin County town in their life. Five years later, I was transferred with a dozen other students to a larger village of seventy households. In Tianlin life was very hard, because of the poverty of the people, even though the land is so fertile that one should be able to survive on wild fruit and plants, without even working too much. The staple food crop is corn. What poverty meant to the peasants was their virtually complete lack of money. Yet, in this region of natural subsistence,

the Great Leap Forward had managed to create mass starvation by taking too many people off the land to ‘produce steel’ and not allowing them back. Every village in our commune had people who had starved to death around 1959. There is no question that the famine was a consequence of the social system rather than a natural disaster.

*What were your relations like with the peasants?*

I spent five years in the first village and four years in the second, the only one among sent-down youths in our commune to stay for nine years altogether. After almost two decades, when our group went back to visit the villages, I was the only one still able to communicate with the locals in Zhuang. The years in the countryside formed me deeply, but it doesn’t mean I had the best relations in my cohort with the villagers. It wasn’t that I looked down on them. Rather, I had a pre-set ideological belief that they would be ideal teachers to reform my petty bourgeois outlook. However, peasants in reality were no sages. People who worshipped them would no more be able to make friends with villagers than those who discriminated against them. By contrast, some of our group mixed easily with peasants, each entertaining the other with dirty jokes or sharing gossip, even if behind their backs they might dismiss them as blinkered or stupid. For me, these were all superficial phenomena: what I was looking for was the ‘essence’ of poor peasants. Unfortunately, the villagers rarely showed their ‘essence’, except in organized political study sessions.

My good relations with the villagers came mainly from my intention to transform myself into a ‘real’—and model—peasant. When they were reluctant to be drafted for infrastructural labour away from home, I’d always volunteer to go. Though I had resolved to be truly independent, declining my parents’ offer to send me parcels, I did ask my family to get medicine for the village. So the peasants eventually took to me. When I finally left—the last sent-down youth to go back to the cities—most families in the village had someone come to see me off. No one wept, but they expressed their respect for me. Frankly speaking, though I worked very hard for nine years, I never became really intimate with poor peasants. I say this, because nowadays people often jump to the conclusion that I study rural society because of my connexion to that past. While it is certainly true that first-hand experience of the countryside affected my later research, I believe my studies are inspired by reason rather

than sentiment. It is not accurate to say that I am a fighter for peasant interests. As a scholar, I cannot run for a position in a peasant union or a village committee. What I do is merely try to help peasants acquire and exercise the civil rights, such as the right to organize, that would allow them to protect their own interests. The material interest of peasants is not always the same as my own. What we have in common is an interest in civil rights. These are of concern to intellectuals, peasants, workers and others as well. I don't regard myself just as a spokesman for peasant interests.

*What about your intellectual development in these years?*

I had something of a reputation as a bookworm among the villagers. My reading was very wide, including practical works on medicine, agricultural machinery, water and electricity supply, and other rural technologies. Knowledge of these subjects enabled me to help solve many problems in village life. In my last three years, I also did some work for the county cultural bureau. There I developed a keen interest in local Zhuang customs and culture, collected folk songs and improved my anthropological knowledge of the Zhuang as a distinctive ethnic group. More importantly, I kept up my interest in social theories during this period. Due to the remoteness of our county, no one there cared much what I was reading. I learnt how to read English on my own, with the help of the Chinese pin-yin system, a deaf and dumb method that stood me in good stead for many years to come.

Most of my books I had brought from home, but another major source was the county library in Tianlin. Since not many people were reading at that time, and regulations were few, I could borrow books whenever we got leave to go there. In the 1960s the government had printed a series of titles for 'internal circulation' only, as material for its ideological campaign against Soviet revisionism. But since no one else was interested in them in Tianlin, I not only read them carefully but also took some of these volumes away with me. My copy of *The Socialized Agriculture of the USSR* by the American scholar Naum Jasny was printed in August 1965. Another title was *The New Class*, by Milovan Djilas. My case was not such a rarity. In the last years of the Cultural Revolution, many Chinese had their eyes opened by works analysing the Soviet system. We could easily relate what we read to what we were experiencing. But these books didn't change my faith in Communism. In fact I became a Party member while

in the countryside and remained an ardent Communist, without any doubts about the system, throughout my youth.

*What did you do after your time in the villages?*

Since no entrance examinations had been offered for a decade during the Cultural Revolution, universities had to recruit both undergraduates and post-graduates from scratch, in a single year, after the fall of the Gang of Four. The year 1978 was a significant one for the whole family. Within a month, my parents—who had also been sent to the countryside, in another county—came back to Nanning. My sister was admitted to college after passing the newly resumed entrance exams. And I was accepted for graduate studies at Lanzhou University in Gansu province, in the far north-west of China. So I went straight from elementary school to post-graduate work, skipping middle school and undergraduate stages—a career made possible, of course, only by the Cultural Revolution. After such a long time in the villages, I had a tremendous drive to study that absorbed me so completely that I never took a vacation till I got my master's degree three years later.

*What drew you to northwest China?*

I chose Lanzhou University to do my graduate study because Professor Zhao Lisheng had been exiled there as a Rightist since the 1950s. My reading had convinced me that he was the best historian of land tenure and peasant wars in China. I wanted to work under him and had sent him some try-out essays from my village. Class analysis of land tenure and rent relations, and of social struggles erupting into peasant wars, were the traditional themes of Marxist studies of the peasantry, although earlier Chinese Marxist historians had not concerned themselves with these conflicts. In fact, it was Chinese Trotskyists who had published a two-volume *Study on the History of Chinese Peasant Wars* in the early 1930s, without much response or sequel. In the 1950s, after Liberation, Zhao Lisheng had been responsible for laying the foundations of the modern study of peasant wars in China. This was a 'New Historiography' inspired by Marxism, with a great deal of energy and vitality in both empirical research and social criticism. By the 1970s, though, it was mainly the old paradigms that rekindled people's interest, without much thought-provoking effect. It was concern over these developments in the field that drew Zhao and myself together, but after I got to the university

we both gave up our interest in the 'theoretical' debates of the time and turned to empirical studies. We wanted to map out the social visions animating peasant rebellions—naturally, neither scientific socialism nor capitalism—and believed our research had to be primarily empirical, to judge existing paradigms with a necessary distance.

This preoccupation directed my attention to an area in what is today Yunnan and Sichuan where, during the seventeenth-century transition between Ming and Qing rule, a rebel peasant regime set up a military production system, replacing patriarchal social organization with an equal distribution of land and its produce. In contrast to the majority of studies of the Taiping rebellion, for example, my research relied less on official decrees or programmes and more on records documenting how economic activities were conducted in this patriarchal version of 'public ownership' in a small-peasant economy. Two long research papers came out of this master's thesis. In the early 1980s I took up a teaching job at Shaanxi Normal University in the venerable city of Xi'an. I was still searching for new paradigms to understand the long history of the peasant economy. The traditional Communist explanation of peasant wars in ancient China synthesized them into the formula: 'rent relations: land appropriation: peasant rebellion', in which the emphasis fell on rental and property conflicts between landowners and peasant tenants, conceived as class struggles; state repression was theorized as an extension of the political power of the landowners. However, what I found on studying the record of peasant uprisings across China was the reverse of this sequence. The main body of peasant armies was not made up of tenants but of well-to-do villagers or even small landlords who could not take state exploitation any longer. The division between the powerful and the powerless was the primary factor, rather than issues of land ownership.

This hypothesis received further support in my research on the rural economy of the Guanzhong plain in central Shaanxi. There I found a 'landlord-less feudalism', where small peasants were subordinated directly to a traditional power structure. The upper class exploited the peasantry, not through its position as proprietors of land or capital, but via the state, which operated as a kind of omni-community ruling the whole population through its tax-registration system. The point for me here was not to dispute definitions of feudalism, but to re-examine the key concepts of the theoretical paradigm that had long dominated our field.

This interest led me towards a comparative study of the Warring States–Qin–Han period in China, from 475 BC to 220 AD, and the Graeco-Roman epoch in the West. I pointed out that rent relations and tenancy were far more highly developed in the Roman Empire than in China under the Han—although the two shared many similarities in credit relations, which were strikingly different from the high-interest loans of Medieval Europe or the Tang period. I felt that many of our underlying concepts contained assumptions imported from studies of Western Antiquity, which did not really fit the Chinese evidence. At the same time, I also assessed current Western interpretations of the Graeco-Roman economy and proposed alternative models for understanding it.

In retrospect, I did not pay enough attention to economic intervention by the autocratic state, exemplified by the extraordinary capacity of the Qin–Han administration to mobilize human resources on a huge scale for imperial projects. Here the Han dynasty was closer to the Byzantine than to the Roman empire. The ‘de-clanification’ unleashed by the Qin and Han did not mean that ties of kinship were eroded by any individual rights of the citizen, but that the autocratic state crushed kin rights. The process was comparable to the way Byzantine imperial power dismantled Roman lineage rights. The Roman law that was codified out of Byzantine practice, though apparently quite ‘modern’ in its purge of the lineage residues of the Roman Republic, actually moved farther away from notions of citizenship and closer to the norms of an Oriental despotism. The dissolution of local communities under the Qin and Han also took the authoritarian state, not the individual, as its standard. This was a liquidation of patriarchy that led in the opposite direction from a civil society.

*Do you feel your intellectual development benefited from the opening up of the 1980s? More generally, what is your view of that period?*

Retrospectively, you could say I benefited. My career proceeded quite smoothly, as I climbed the academic ladder from lector to professor, but in terms of intellectual stimulus or inspiration, I was very disenchanted at the time. By the late 1980s, interest in peasant history had rapidly declined. Conservative scholars were now turning back to traditional dynastic studies, while others were caught up in the ever-hotter ‘culture fever’ of the time, making all kinds of generic comparisons

between 'East and West', in which culture became a vector of national character rather than a historical or social phenomenon. Dwelling on differences between 'China and the West' became a way of minimizing differences between past and present, elite and masses, power holders and commoners within China. Of course, I acknowledge that the 'culture fever' of the 1980s, like the May Fourth New Culture Movement of the late 1910s, was a significant moment of intellectual enlightenment. But whereas in the May Fourth period there was a vigorous clash of various 'isms', now all people could talk about was 'culture', to a point where many modern notions like liberal democracy or social democracy were obfuscated by being bundled into 'Western culture'. Consequently, there was no real debate between opposite positions as occurred in the aftermath of the May Fourth period, particularly between conservative and radical standpoints.

Symptomatic of the emptiness of the period was the substitution in my own field of the 'tenancy-rent relationship' paradigm by visions of a 'harmonious village community', its ethos protected by the resistance of the local gentry to the penetration of the imperial state. But if the 'traditional' local community was so harmonious, how do we explain the large-scale peasant wars that repeatedly exploded in China and notably disrupted its socio-political and economic life? This led me to reconsider my understanding of peasant society in general. I started by looking afresh at Marxist theories of peasant society and the practice of Russian Social Democrats, from Plekhanov to Lenin, while surveying Anglophone work in the field: Teodor Shanin; the debates between James Scott and Samuel Popkin on 'moral' versus 'rational' peasants in Southeast Asia; Philip Huang on the involution of the Chinese agrarian economy. In 1985 I began exploring the Russian tradition of peasant studies represented by Chayanov, collaborating with my wife Jin Yan, a specialist in Eastern Europe—we organized a translation of his 1925 *Peasant Economic Organization* into Chinese. Our *Mir, Reform and Revolution—Nongcun gongshe, gaige yu geming*—was published in 1996. This new direction took me out of narrowly defined peasant studies towards a broader perspective on Chinese history.

So, even while I was disenchanted by shifts in my own field in the 1980s, my own intellectual development was certainly in debt to this period. It was, after all, a very lively time, with an enlightening atmosphere everywhere. Politically, most people were optimistic about the future of

reforms, and I myself still believed in the system and its capacity to change itself for the better.

*What changed your political outlook?*

The social movement of 1989 altered everything. Xi'an was soon affected by the unrest in Beijing. But for about a month, as students started their boycott of classes, teachers were drawn into the uproar, and there was increasing commotion everywhere, I was so bent on my own work that I didn't take much notice. I remember that on May 16th, as the wave of protest against the government reached its peak, I went as usual to the classroom with my briefcase, amid an entirely deserted campus. On May 20th martial law was declared, and a curfew imposed. In the following days, students were extremely disappointed not to be able to locate radical intellectuals who had been active up to May 20th. Then the provincial Party committee endorsed martial law and ordered every Party member to express their support of it. I could no longer stay silent. On May 24th I composed a statement of protest and went with some other local Party members to put it up as a big-character poster, denouncing the imposition of martial law and removal of Zhao Ziyang as Secretary General of the Party as violations of the CCP's constitution. Reaffirming the democratic rights of Party members, the poster gave the 'Four Cardinal Principles' of the CCP an anti-authoritarian rather than anti-liberal twist—demanding 'insistence on collective leadership against personal totalitarianism; insistence on socialism against feudalism; insistence on Marxism against medieval-style Inquisition; and insistence on the people's democratic dictatorship against dictatorship over the people'.

Thus I got involved in a movement that already seemed doomed for defeat. The poster became quite influential in Xi'an. Then came the crack-down of June 4th. In Xi'an demonstrations and civil resistance against the repression lasted till June 10th. These events were a watershed for me. In a long essay on the social movement of 1989, Wang Hui has recently argued that the movement was attached to the values of the socialist past and opposed to those of liberalism. If the socialism he is talking about is democratic socialism, then this was definitely a voice in 1989, but when he claims it was anti-liberal, he is quite wrong. My call to 'insist on the Four Cardinal Principles' was more 'socialist' than the examples Wang Hui gives in his essay, yet it was emphatically not anti-liberal.

This was the first time I became directly involved in current affairs. That doesn't mean I had no sense of contemporary realities in my research. But up to 1989 my main frustration was the crisis in our field, while after 1989 my concerns became focused on questions like: where should Chinese peasants go? Where should a peasant China go? Thus in the early 1990s, when most intellectuals were turning away from the grand discourses of the 'culture fever' to empirical studies, I moved from empirical studies to a greater interest in theoretical 'isms'. In 1994, I transferred to a Beijing research institute and the next year started teaching in Qinghua University. In the late 1990s, 'isms' came back into fashion again, and I once more felt ready to return to empirical studies. In my view, a weakness of the current intellectual scene in China is the separation of debate over 'isms' from examination of 'questions' in social reality. The merit of general 'isms' lies in the universal values that inform them; yet the specific theory of a given 'ism' is usually constructed in response to particular historical questions, not universal ones. Therefore, when we advocate universal values we should be careful not to confuse them with universal questions. My slogan is: 'isms' can be imported; 'questions' must be generated locally; and theories should always be constructed independently.

*What were the broader perspectives in your field that you were developing in the 1990s?*

During the 1980s I had already become convinced that what was happening in China should be seen within a much longer-term process of human development. This was the period, of course, when the people's communes were dissolved and the household-responsibility system, which handed economic initiative back to individual farmers, was introduced. That was the key change in the first phase of the Reform Era under Deng Xiaoping. I interpreted it as the latest episode in the millennial struggle of human society to 'cast away the bonds of community in search of individual freedom'. The first stage of this process, I thought, was to advance from the primitive tribal community to the classical society of freemen (I did not believe a 'slave society' was an appropriate definition for Antiquity); the second was to advance from the feudal patriarchal community to a pre-modern citizen society; and the third was now to advance from our Soviet-style 'iron rice bowl' community towards a democratic socialism that I believed to be the goal of reform at the time.

After 1989, many people thought that the military crack-down would interrupt the reform process, including economic reforms, and bring a reversion to the old 'iron rice bowl' system. My wife and I believed the opposite. In our view, now that the gunshots of June 4th had torn away the gentle veil of the 'grand patriarchal family', the process of 'dividing up family possessions' would probably speed up. Though the prospects of a democratic division had become slim, the 'paramount patriarch', after the show-down with the 'juniors', would have little interest in patching the previous 'grand clan' together again. More probable was a development resembling Stolypin's suppression of the 1905 revolution, which accelerated the dissolution of the Russian *mir*. We already sensed that a Stolypin-style combination of political control and economic 'freedom' was brewing. With Deng's southern tour of 1992, it duly arrived.

Theoretically, our interest in the community and its dissolution came mainly from Tönnies's *Gemeinschaft und Gesellschaft*. Marx, in his mature work, uses the terms in a sociological sense close to that of Tönnies to designate a social ensemble bound by status, found in ancient or underdeveloped societies. There are differences. Marx not only offers a materialist and voluntarist explanation of this process, but defines community in a far broader way. In the *Grundrisse* he famously declares that 'the more deeply we go back into history, the more does the individual appear as dependent, as belonging to a greater whole'. In his view the evolution of these 'wholes' passed through successive forms, from the single family to the tribe and then, through 'conflict and fusion', into the total unity, squatting above all smaller communities, that was the 'Asian state'. In all these formations, personal character is suppressed; individuals are merely parts attached to the whole, as property of the community; and from individual dependence on the community, there derives the attachment of all its members to the patriarchal figure at their head.

It is not until the development of a 'civil society' that the individual can break the bonds of the community, by 'the force of exchange', and achieve human independence—and then subsequently overcome the 'alienation' of private property, and advance to an ideal state in which individuals are both free and united. Though there were some minor changes in his later work, Marx's basic view of the evolution of members of the community into independent individuals remained the same.

Up to the rise of Stolypin, Russian Social Democrats differentiated themselves from Populists by holding to this same position. Plekhanov spoke of the 'exploiting commune and exploited individual'—a tradition that shared a common intellectual ground with Tönnies. Forms of social community and their changes over time differed widely in China and the West. From Classical Antiquity to Medieval and Early Modern times, European society was largely based on small communities, whereas China developed the overriding super-community from the Qin (221–207 BC) onwards. Thus, whereas in Europe modernization meant a union of the individual citizen and an overarching community, the monarchical state, against the power of the feudal lord, in China we may have to consider the possibility of the individual citizen and the small community of villages joining forces against the everlasting supreme power of the huge central state, if the goal of modernization—to make the individual citizen both the foundation and the end of society—is to be realized.

*What political conclusions do you draw from this macro-historical prospect?*

Whatever the route to the final break-up of the community, its dissolution always poses three questions. First, to cast off the bonds of the community, and to lose its protection, are two sides of the same process. The individual is 'freed' of them, in both senses. Nonetheless, the two aspects have a different significance for the various social classes, whose members typically stand to make distinct, indeed conflicting, gains or losses from them. Each social class will inevitably fight for a 'division of the family assets' that best suits its own interests. This means, secondly, that the question of *how* to divide up the family assets is more important than whether or not they should be divided. The traditional Marxist stress on reactionary and revolutionary classes notwithstanding, in practice no one is ever inherently in favour of either division or preservation of the community. In Ancient Greece and Rome, both aristocrats and commoners betrayed tribal traditions. In early modern France, both royalists and Jacobins destroyed the rural commune. In today's China, the 'big wok community' is being broken up under a double pressure—from the 'uncaring father' and 'un-filial sons'.

Thirdly, disputes over 'how to divide' do not distinguish contestants as 'radical' or 'conservative', but do involve issues of justice and injustice, with considerable consequences for subsequent historical development.

When human society evolves beyond the forms of a tribal community, it makes a difference whether it takes an Athenian or a Macedonian path. In Athens, a lineage polity, dominated by elders, was transformed into a democratic polity, or classical civil society, through a commoners' revolution that included the cancellation of debts and equal distribution of land by Solon to create commoners' private property. A comparable process took place in Rome with the *Leges Liciniae Sextiae*. In Macedonia, the tribal structure evolved into a strong-man polity, replacing lineage by imperial power—including the formation of vast private domains, in the manner of Ptolemy—to establish a despotic royal rule over every subject. Likewise, there are two routes out of a feudal community. One is for 'juniors' to break away from patriarchal control and divide existing assets democratically between them; the other is for the patriarch himself, maybe with some supporting big brothers, to use his iron fist to monopolize the family assets, and drive away or enslave the juniors. Lenin called these two the American and the Prussian roads to capitalism, in the Russian debates over Stolypin's land reforms.

Prior to these reforms, the Tsar was revered by peasants as the 'father of the *mir*', which Russian liberals and social democrats alike wanted to abolish to free both peasants and land. That effectively meant privatization of land, along democratic lines. That's why Lenin later remarked that the original agrarian programme of his party had 'been carried out by Stolypin'. The injustice of Stolypin's reforms did not lie in the privatization of land, but in the oppressive expropriation of peasants to do so. At that time the Populists complained bitterly that the dissolution of the *mir* was destroying 'traditional Russian socialism', in much the way some 'leftists' in today's China protest that Deng Xiaoping has destroyed Mao's socialism. On the other hand, some Russian liberals became supporters of the oligarchy in the Stolypin period, believing that regardless of the methods by which it was realized, privatization was a boon and people should reflect on the excessive radicalism of 1905, and change their 'signposts' to cooperate with the authorities. Nowadays, this kind of liberal is quite common in China.

*What is your attitude to these positions?*

I have criticized both. I am against the praise of traditional socialism by our 'Populists', and also against the support by our 'oligarchic liberals' of power-elite or police-state privatization along Stolypin lines. In the

same spirit as dissident liberals (like Miliukov) and Social Democrats (like Plekhanov and the early Lenin) in Tsarist Russia, I believe that the issue we confront today is not whether to choose between capitalism or 'socialism', *mir* style or Mao style, as if we have sinned in abandoning the latter; nor between 'feudalism' or capitalism, as if all will be well as long as we reject the former. The real question facing us is which of the two possible paths, Prussian or American, rural China should take: the expropriation of the peasantry from above, by big landlords or companies, as in nineteenth-century Prussia, or the emergence of independent small-to-medium modern farmers from below, as in the nineteenth-century US. Lenin always attacked the first, and defended the second.

In Stolypin's time, Russia was not yet an industrial society and his programme was mainly a privatization of land. That is no longer the case in today's China. In my view, there are two popular myths about land privatization today. One says that it will unleash annexation, social crisis and peasant war; the other, that it will automatically optimize distribution of agrarian resources through the market. The first is historically inaccurate. The origins of peasant revolt in China, as I've said, have less to do with tenancy-rental conflicts than with expropriations by the authoritarian state. On the other hand, I do not believe that, under current conditions, the privatization of land is the best way of increasing agricultural efficiency or solving peasant problems. On the whole, I remain convinced by Plekhanov's position that socialists will not prefer privatization of land, yet must oppose 'the expropriation of land by a police state that would wipe out all the achievements of modernization and revive an Asiatic autocracy'. So in today's China, what needs to be stopped is not the distribution of land to peasants as private property, but the abuse of existing peasant rights to land by political authorities. In particular, where no issues of specific location or national planning arise, I support giving more rights to peasants and limiting government power. This position is not based on economic considerations—since, as I have explained, I do not think a free market in land would produce 'efficient big farms'—but on the belief that, as a disadvantaged social group vulnerable to abuse, peasants should enjoy greater rights to land as a line of defence against the state. If officials can take away peasants' land at will, what other civic rights would be left to them?

Currently, many peasants living near big cities or along the south-east coast have become landlords, leasing land to labourers from provinces

in the interior. Elsewhere peasants are abandoning the land altogether, leaving it uncultivated, to escape the fiscal burdens on them. But the great danger facing the population of the countryside is not a merger of peasant holdings, but state expropriation of peasant lands for commercial development. This is now a widespread phenomenon in China. In Jiangxi, for example, the local government recently forced peasants off some 8,000 acres, capable of supporting 20,000 people, to lease the land to a company supposedly engaged in ecologically enlightened agriculture. In practice, all the compensation the peasants received was to be excused from paying taxes—they got nothing from the deal, and when they protested, the government sent the police to quell them. Had the land been the private property of the peasants, the company would have found it very difficult to annex an area as large as this by market exchange. The scale of this abuse stirred up strong reactions, but it is not an isolated instance. Thus, many people now hold the view that the only way to protect peasants is to hand land over to them and deprive the authorities of the power to make land deals behind their backs. So my support for a conditional privatization of land in China is more political than economic. In point of fact, the notion that Stolypin's reforms assured the development of a rich peasant economy in Russia is itself an exaggeration.

*Stolypin's 'wager on the strong' failed in large part because he underestimated the moral cohesion of Russian village communities, which resisted individual families 'separating off' from collective-ownership practices on the land, and kept a sharp eye out for opportunist conduct by better-off peasants. The Bolsheviks, who had no roots in the countryside, of which they had very poor understanding, then made the same mistake from the opposite direction. They tried to unleash class war in the Russian villages, by mobilizing 'poor peasants' against 'kulaks'. But the village communities did not like that either: they had a very strong egalitarian but also autonomous tradition, which bound all peasants together in a common moral economy. Soviet collectivization proved a disaster. In China, on the other hand, the party was strongly rooted in the countryside, enjoying widespread respect from the peasants after Liberation, while the villages lacked the sort of collective, autonomous organization that marked the Russian mir—they were much more like Sun Yat-sen's 'tray of sand'. Doesn't that account for the relative smoothness with which the CCP could initially carry out collectivization in the 1950s, by comparison with the cataclysm provoked by the CPSU?*

I more or less agree with this description of Russian and Chinese collectivization, though in China I believe the lack of autonomous village institutions was much more important than the Party's base in the countryside. A further significant difference was that the Russian land reforms involved a total reversal of Stolypin's measures, eliminating independent peasants and communalizing the villages. By contrast, the Chinese reform eliminated not only landlords but also what local institutions there were, which had never been very strong. However, just because Chinese peasants lacked common bonds, they were quite incapable of collective resistance to the will of the state, of the sort the tradition of the *mir* offered in Russia. It is much easier for a strong authoritarian state to control an atomized countryside than a communalized one.

For this reason, when I talk about privatization today, I never separate it from democratization. The one without the other will lead to much suffering and disaster. In our current conditions, 'no taxation without representation' would be a very powerful—though still only hopeful—slogan for Chinese peasants. In Europe, people assume that if a government does not protect its farmers, it is not doing its job. There the Right advocates *laissez-faire* and the Left a welfare state. But in the situation of Chinese peasants, these are false alternatives. The majority of the Chinese population—that is, the peasantry who make up around 65 per cent, some 800 million people—lacks both freedom and security. They need at one and the same time more *laissez-faire* and more welfare support.

*What sort of services are accessible to them today?*

The crisis of welfare services in the countryside is acute. The most publicly visible collapse—now discussed even in the official media—is in rural education. Under the 'Law of Compulsory Education', the government is supposed to provide free education for all its citizens. But in China, this law is now often interpreted just as the duty of peasants to send their children to school. Rural authorities often arrest peasants who do not want to send their children to school, accusing them of violating the law—ignoring the fact that they cannot afford to pay the fees.

In the Mao years, education was strictly controlled as the 'ideological frontier' of the state. The masses were required to imbibe a distillation of official doctrines. Investment in education was even lower than it is today: rural schools mostly had 'locally sponsored' and 'substitute' teachers, in

effect paid by the peasants themselves. But since the peasant household was not an independent economic entity at the time, and locally sponsored teachers received their wages directly from the production unit, peasant families did not feel educational expenses as an immediate pressure on themselves. This was in line with the general situation in which the state extracted its original accumulation directly from the 'collective economy', rather than by fiscal mechanisms. The Maoist regime did not tax peasant households and so there was no question of 'peasant liability' for fiscal burdens, as there is today. There is no cause to regret the passing of that system—millions of peasants starved to death—and those who now point to the absence of school fees in that period are at any rate one-sided. It is not that reforms of the past two decades have destroyed China's compulsory schooling system. On the contrary, the Chinese state has never fulfilled its duty to provide education for peasants.

Still, it is true that educational problems in the countryside are different today. Under Mao peasant children were never prevented from attending school because they were unable to pay school fees; but cases where children had no school to attend due to insufficient equipment indeed existed. School conditions were very bad, and for a long time they taught nothing but Mao's little red book. The system of locally sponsored teachers created opportunities for corruption by local cadres, who had the power to make the appointments. Things improved at the beginning of the Reform era. The amount of political propaganda in schools was reduced and the quality of rural education got better; another big improvement was a change that allowed locally sponsored teachers to transfer to state sponsorship, by selection through unified examinations.

However, the situation has deteriorated significantly in the 1990s. On the one hand, school fees shot up in this period, while on the other a new fiscal system has dictated that 'revenues go up and expenditures move down', effectively encouraging villages to collect money from peasants. This practice has not only erased entirely the positive reforms of the early 1980s, but has actually turned 'state-sponsored' teachers into locally sponsored—i.e., peasant-supported—teachers as well. Thus we come back to the same question: the crisis in rural education is caused by a state that has too much power and accepts too few responsibilities. The situation is so bad that private charities now exist everywhere, trying to raise money for village children's education. These, however, are actually controlled, though not funded, by the government. The authorities

give no administrative support; nor are there any regulations governing the proportion of donations that may be spent on running costs as opposed to charitable distribution. Naturally, in conditions lacking any transparency or supervision, this leads to embezzlement and corruption. The more closely the charity is linked to the government, the better any irregularity is covered up. The same is true of poverty assistance where, for many years, funds were diverted from poor peasants into the pockets of local authorities.

*How have peasants reacted to the changes in the countryside since Mao?*

In terms of their own rights, peasants need to see both justice and the benefits of reform; in terms of historical development, they need to transform themselves from 'peasants' to 'farmers'. This is not a question of public versus private ownership, or 'privatization into big' versus 'privatization into small'. More accurately, it is a process from non-freedom to freedom—in Marx's words, from the 'dependence' to the 'independence of Man'. Under the Maoist system Chinese peasants were tightly controlled, and received little protection. Then at the beginning of the Reform Era the people's communes were dissolved and their main patrimony, land, was redistributed among the peasants relatively fairly, under the 'household responsibility' system. So at first peasants were in favour of reform and displayed rather strong 'civic' consciousness. By contrast, the old order afforded more protection to the urban population, so the cost of breaking its bonds was higher. Moreover, the way industry was divided—the ostensible caretaker bearing away all the valuables of a virtually bankrupt household, while kicking out its members who had had an 'iron bowl' there—was highly unjust. So city dwellers, especially workers of state-owned enterprises, were more resistant to reform and more attached to the previous status system.

But these relationships have altered as the reform process has developed. In recent years, the continual shift of the transitional costs of reform to the countryside has significantly worsened the situation of the peasantry. When China joins the WTO, its condition will become even more critical. On one hand, WTO entry will be a big blow to Chinese agriculture, as cheap imports come into the country, lowering peasant incomes. That will be a major challenge to the rural population. On the other, the extension of an 'international standard' of civil rights through the WTO will open the door for peasants to move to the cities, gradually cancelling

status barriers and yielding them market freedoms, and so once more liberating their potential for development. That will be an opportunity for the rural population. If liberalization both of trade and of residential controls are handled well, the WTO will bring more benefit than harm to Chinese peasants and so to China. The key issue here will be who is treated as a 'citizen'—that is, able to enjoy equal rights before the law and to participate in equal competition. If 'citizen treatment' is granted only to foreign investors, but not to our own peasants, their situation will deteriorate yet further, and they will resist reform. If 'peasants' are to become 'farmers', they need to move—in Henry Maine's terminology—from status to contract, acquiring the freedoms of a modern citizen. If they are denied these, and see no justice or benefit in the reforms now impending, they will be 'forced into reaction', as Russian peasants were in the Stolypin era. In that case, China's future could be doomed.

In Iran, the Shah's 'White Revolution' was an oligarchic capitalist programme of authoritarian modernization that provoked a strong fundamentalist reaction, eventually unleashing Khomeini's 'Black Revolution'. That looks quite similar to the way Stolypin's reforms met with a powerful reaction from the tradition of the *mir*, paving the way for the October Revolution. Yet Russian peasants hated Stolypin's reforms because they deprived them of land, whereas the attitude of Iranian peasants was just the opposite. When the Islamic Revolution swept Iran's main cities in 1977–79, Iranian peasants—about half the population—remained either indifferent or hostile to the uprising against the Shah. They had benefited from his agrarian reform, which had also distributed mosque lands to them, and felt they should be loyal to him—sometimes attacking revolutionary rallies and raiding the houses of landlords and Islamic activists. For the same reasons, Iranian landlords often backed the revolution against the Shah, whereas Russian landlords became the first target of the revolution of 1917. I mention all this to show that no class is inherently 'progressive' in history. We should not be asking ourselves which class can mobilize all others for reform, but what kind of reform would be fair, and benefit the majority of the population, which in China is obviously the peasantry.

*What has been the initial impact of China's entry into the WTO?*

China's WTO deal includes a ceiling of 8.5 per cent on agricultural subsidies, which is extremely low in the eyes of European and American

negotiators. But what foreigners do not understand is that Chinese peasants have always received zero, if not negative, subsidies from the State. In practice, then, this is a clause that subsidizes exporters of agricultural produce, and has little to do with peasants. For example in 2002, the first year of China's WTO membership, China's agricultural trade balance saw a fall in imports and a sharp rise in exports—all under low subsidies and tariffs as agreed, despite US accusations of cheating. As a matter of fact, China's domestic grain market had been stagnant for years, but when grain prices rose in Canada and the US due to natural disasters last year, Chinese exporters seized the opportunity. The subsidies they received from the Chinese state did not exceed WTO dictates, but were enough for them to buy grain from peasants at unprecedentedly low prices and then sell it at a handsome profit on the international market. The official media extolled this achievement as 'transforming a challenge into an opportunity', when in effect it was based on transferring real costs onto the shoulders of the peasantry, in just another example of heavy 'taxation without representation'. Is a practice like this a surrender to America? A surrender to 'globalization'? A surrender to the WTO? Or is it a surrender to the long tradition—from the first Qin Emperor to Mao Zedong—that does not treat a peasant as an individual citizen?

Obviously, in the manufacturing sector no labour force—either under the welfare system of developed countries, or backed by trade unions in Third World or East European democracies—can 'compete' with a Chinese working class that has no right to unions or to labour negotiations. So too, Western farmers who rely on state subsidies may find it difficult to compete with Chinese exporters who can rely on peasant producers who have never enjoyed any protection, only strict control—causes underlying many of the 'miracles' in today's China that often seem equally baffling to Right and Left in the West. In fact, though no one in the contemporary world will say so, such a situation is not without historical precedent. Around the sixteenth century, some East European countries became highly competitive in commercial agriculture by establishing a 'second serfdom'. You can find people in today's Chinese think-tanks who understand this very well. In some internal discussions they bluntly state that, as China has no comparative advantages in either resources or technology in today's world, and cannot advance either to a real socialism or a real capitalism, its competitive edge can only come from its unique system of dependent labour.

Factually, I admit they are to a great extent right. Without this labour system China wouldn't have been able to pull off the 'miracle of competitiveness', which attracts such interest from the West, the former Soviet bloc and many Third World democracies—but which they will never be able to emulate. The question I would ask, however, is whether a 'miracle' of this kind is sustainable? We might want to look at the long-term consequences of the 'second serfdom' in Eastern Europe. Nowadays there is a lot of talk in the US about a 'China threat'. Actually, as no big power emerged out of the sixteenth-century East European experience, it is highly doubtful whether the current Chinese miracle could continue to a point where it really did threaten the West. But even if economic magic of this sort, that does not treat people as human beings, did take China to the top of the world, what would be its value? Such a development would first of all threaten the existence of the Chinese people themselves.

*Your focus on agrarian problems has sometimes won you the label of a Chinese Populist. Do you accept it?*

No, if the connotation of the term is understood as essentially Russian, I do not. I could be considered similar to the American Populists. I am an opponent of Russian-style Populism, particularly the version represented by figures like Petr Tkachev. That does not mean my opposition is principally to do with Narodnik terrorism. Many Narodniks were not involved in assassinations, and those who were involved were not always Narodniks. My position is that I am for the common people—which is why I share some of the outlook of the American Populists—but against any kind of collectivism that denies personal freedom and suppresses individual rights. Sometimes such collectivism looks popular in character, while in reality it is only a step away from oligarchy. Populism of the sort that allows a consensus of five persons to deprive the sixth of their right to expression easily becomes an oligarchy of those who then claim to represent everyone. Witte once said that in Russia, the Black Hundreds had something in common with the Narodniks: it was just that the latter stood for an innocent, idealist collectivism, and the former for a gangster collectivism. Akhmed Iskenderov too has commented that in the 1890s, far left and far right in Russia formed an odd unity over the issue of the *mir* versus the individual. In my view, the opposite is also true: in late Tsarist Russia, Social Democrats and Liberals were (not that oddly) united in favour of casting off communal bonds on individual freedom. That was a unity which was both anti-populist and anti-oligarchic.

Originally, the Narodniks were famous for their programme of 'advancing from the *mir* to the commune to socialism'—strengthening the existing village communities and opposing the 'individualism' of the independent peasant household. At that time, Social Democrats criticized this as a form of 'popular dictatorship' and 'state socialism', which protected the 'exploitative *mir*' and obstructed peasant freedom. But over time, moderate Narodniks grew more tolerant towards independent peasants, whereas the Social Democratic current led by Lenin, in fighting against Stolypin's reforms, changed direction, putting more and more emphasis on land nationalization as if they were extreme Narodniks. Thus what Plekhanov had once condemned as the Narodnik vista of a populist dictatorship was eventually transformed into reality by his students, Lenin and others, who betrayed him. Plekhanov was a Westernized theorist, very familiar with modern civilization in Europe, and its traditions of socialism and liberalism. But he was not very well informed about Russian society or traditions, about which he knew far less not only than Narodnik sociologists but than Lenin.

Yet the irony of history—not just Russian history—is that while Plekhanov, who understood modernization but not Russia, could not realize his programme, those who understood Russia but not modernization did realize theirs; yet their success led only to a metamorphosis of the traditional evils of Russia, and to the failure of social democratization. We are facing similar problems in China today. The lesson of the Russian experience, in my view, is that a consistent fight against Stolypin-style policies can only be based on the positions that were originally taken by Liberals and Social Democrats: that is, backing the American against the Prussian road to agrarian capitalism, rather than clinging to any kind of traditional 'socialism'.

*How then would you describe the range of prescriptions advocated for China's future in contemporary debates?*

Let me put it this way. From the 1950s to the 1970s, China could be presented as a great patriarchal family; the state controlled everything, under the rule of the Party. In the 1980s, the 'family' could no longer be held together and a division of its patrimony became inevitable. Today, everyone agrees that the 'family' must be split up, but there is hot disagreement about how it should be divided. This is the issue that now defines the different camps in China. Firstly, there are those who

want to revive collective traditions to resist the spread of Western-style individualism. They look to what they consider China's socialist legacy as the antidote to the disease of liberalism. This is what I call Chinese Populism. Its intellectual strongholds are mostly in the humanities. A second camp are the Stolypin-style oligarchs. Their outlook is very simple: state assets are booty to be plundered, according to the principle, 'to each according to his power'. Intellectually, they are most strongly represented among economists. People usually term the first group—populists, by my definition—the Chinese New Left, and the second group—oligarchs, according to my conception—Liberals.

I have been critical of both positions, from a standpoint that is probably strongest in the social sciences, and might seem disconcerting in a Western intellectual context. For my objections to the so-called New Left in China are mainly based on social-democratic theory, and my objections to the oligarchic programme, or economic libertarianism, are mainly based on liberal theory. Moreover, the social-democratic traditions on which I draw are not those of the contemporary Western parties, which seem to be turning to the right, but rather the classical legacy of the First and Second Internationals, from Marx and Engels to Bernstein and Plekhanov. Similarly, the liberal sources to which I look are not those of the contemporary liberal left, such as the redistributive traditions of Roosevelt or Rawls, but the classical liberalism of Robert Nozick. When I criticize the oligarchic camp, I stand by Nozick's argument that privatization must respect 'integral justice of possession'—that is, principles of just acquisition, just exchange and just reparation. That means shunning the Stolypin path of robbery in privatizing public assets. That I ignore the tradition of Roosevelt here does not mean I am against it. But how can we talk about a welfare state in China, when we can't even stop wholesale theft of public property?

In the West, there are contradictions between these two inheritances—classical social-democracy and classical liberalism—over issues like welfare and regulation of the economy. But these have little bearing in China today. Its situation is much more like that confronting Marx, who preferred the free-market Physiocrats of eighteenth-century France to the state-oriented Mercantilists, and Adam Smith to the German Historical School; or for that matter Plekhanov, who feared the consequences of Stolypin's programme. In fact, when facing a police state, the Left always defended *laissez-faire* more strongly than the Right.

Historically, the tradition of the Left in the West was socialist, not statist—for a long time statism was regarded as an appendage of the Right. The welfare state defended by the Left today places more responsibilities on the state, but is no Leviathan expanding its own power indefinitely, of the sort liberals have always feared. For their part, liberals have shown time and again how an oversized state may threaten citizens' freedom, but have never argued that the state should have no public responsibilities. So we need to ask: under what conditions do these two traditions enter into contradiction? The answer is that they can do so when the powers and obligations of a state are based on a social contract in which citizens delegate powers to the state and expect in exchange fulfilment of certain duties by it. How much responsibility citizens wish the state to take will then determine how much power they delegate to it. It is in this situation that social democrats demanding that the state assume more responsibilities will come into conflict with liberals demanding that the state's powers be limited.

In China, however, where the legitimacy of the state is not based on the principle of social contract, state powers in no way correspond to state responsibilities. Here, on the contrary, the state enjoys enormous powers and accepts few responsibilities. In this situation, the social-democratic demand that the state's responsibilities be increased is in harmony with the liberal demand that the state's powers be limited and reduced. For that would bring the two into greater balance. In China today, we need to restrict the powers of the state, and enlarge its responsibilities. Only democracy will allow us to achieve this two-fold change.

*How widespread is such a view?*

These are positions that should have drawn support from social democrats and liberals alike, but that is not yet the reality in China today. I have friends in both the camps I criticize—the 'Chinese New Left' and the 'Liberals'. However, though to some extent both these positions are tolerated by the authorities, mine is not. This is a period when the spectres of Stalin and Pol Pot are still on the loose, even while Suharto and Pinochet are riding the tide of the time. The first can still rob people's private property for the coffers of the state, while the second can rob the coffers of the state for the private fortunes of power-holders. In practice, they share a tacit bottom line: the first can still punish 'Havels' as before, and the second have no difficulty dispatching more 'Allendes'.

In these conditions why should the Havels of true liberalism and the Allendes of true social-democracy argue with each other?

*Looking to the future, do you regard an evolution along Taiwanese lines as a possible scenario in China—the CCP following the path of the KMT, and gradually relaxing its grip, to allow a peaceful transition to a multi-party democracy?*

I very much hope so, but it will be much more difficult for the Mainland to make the same kind of transition. Some would say this is because the CCP is even more authoritarian than the KMT used to be, but that's not the fundamental problem; any party can change over time—look at the Communist Parties of Eastern Europe. The real difficulty is that the PRC could find it hard to pull back from the Stolypin road down which it is now driving. Moreover, in Taiwan, Indonesia or South Africa, political democratization occurred within an economic system that remained unchanged. Democratization there was mainly a question of political reconciliation: Mandela and De Klerk shaking hands. In Eastern Europe, by contrast, privatization and democratization took place more or less at the same time. When democratization occurred, publicly owned assets were still relatively intact, so that their division was accomplished through a bargaining process, which—though people grumbled about it—was perceived as relatively legitimate. No one, on the left or right, now seeks to overturn the results, even if people on the left might criticize its lack of 'substantive' justice.

But in China, privatization is occurring *before* democratization. If all our public assets are to be confiscated by oligarchs, the result will be blatantly piratical and unjust. No doubt if democracy is postponed for another two hundred years, people will have forgotten the brazen injustice being perpetrated today, and accept the results. But if democratization comes soon there will be no Mandela-style 'political reconciliation', but great popular anger and determination to reverse the injustice. Then the outcome could be like Russia all over again—the new Stolypins in China producing a new Bolshevik revolution, leading to a new despotism once again.

*But wouldn't any capable CCP functionary say to you: just so—that is why we need to hold power for another half-century, at least, and then you can have democracy without any commotion?*

Another fifty years—could the current rate of growth be sustained that long? It's easier to build democracy in good times, under conditions of prosperity. But there is a paradox here, for it is in just such times that pressure for democracy tends to be least. It would have been much easier to create democracy in Russia in 1913 (or still more 1905) than it was in 1917. But in bad times, the people will cry out—why do we have to accept injustice?—as they did in 1917. On the other hand, such indignation is historically rare. In Indonesia, while people called for the trial of Suharto as an individual, they didn't question the property regime as a whole. But Indonesia was not a transitional society, unlike China where the outcome might be much more chaotic. Still, looking at the comparative historical record, I acknowledge that it is probably a fact of human nature that most people don't have a strong sense of justice.

*You say that in Eastern Europe the results of privatization have been accepted. Would you claim the same of Russia, where oligarchic corruption was such that even advocates of privatization have had to excuse today's pillage as the regrettable price of tomorrow's bright future? China's population is ten times larger than that of either Eastern Europe or Russia. Isn't it utopian to imagine a fair privatization among this huge population?*

It is true that democratization in Russia was much less advanced than in the Czech Republic or Poland, and so its privatizations were far less equitable. Yeltsin's government betrayed its promise to divide and redistribute state assets, putting them directly into the pockets of a new oligarchy. Even Czech-style 'fair redistribution' has in practice had its drawbacks. But in any case my argument is only that democratization is a necessary condition for a relatively acceptable process of privatization, not that it is a sufficient condition. In a democratic society, privatizations may not be entirely just, but in an undemocratic society they will certainly be unjust. That is the distinction I want to make.

When they consider China, Western economists tend to fall into schools. One is the 'Washington Consensus' of classical liberals, who believe that by avoiding the issue of privatization China is making only temporary gains and will face grave consequences in the future—whereas East European countries that have implemented radical privatization are experiencing temporary pains, but assuring long-term prosperity for themselves. The other is more or less Keynesian: it thinks China is a 'state-controlled' or 'quasi-welfare economy' and praises it for not

rushing into excessive marketization. Both are under the illusion that the Chinese transition is more 'gradual' and 'socialist' than the East European. In reality, the process of 'dividing up the big family's assets' has been proceeding as relentlessly in China as in Eastern Europe. What Eastern Europe couldn't match is our Stolypin style of redistribution—Russia is closer to that. What I firmly believe in is an equal, just and open process of privatization, based on democratic participation and public supervision; it would plainly be practical to sell state-owned assets fairly and use the receipts to fund social security and public welfare. On the other hand, if privatization is an operation done in the dark, under authoritarian rule, whether by 'division' or 'sale' it will inevitably be robbery of the masses.

Some Chinese intellectuals have launched the slogan, 'Farewell to utopia'. I do not agree with it. The 'utopian disasters' of twentieth-century China were caused by coercive experiments, not utopia itself. For utopia, if we mean by the term 'an ideal that cannot be realized', is first of all not something to which one can simply say 'farewell', since human beings cannot always judge what is feasible and what is not. So there is no way they can just proceed to think within the realm of 'realizable' ideas. In this sense, after a 'farewell' to utopia there will be no more independent free thinkers. Hayek rightly points to the limits of rational thought, urging us to beware of the 'conceit of reason'. But he evades the paradox that, precisely because our reason is limited, we cannot know where its limits may lie. Therefore it is both unnecessary and impossible to 'limit reason', whereas to limit coercion is essential and possible. In other words, no humanistic idea—be it practical or utopian—should be implemented at a destructive cost to either private liberty or public democracy. We must uphold ideals, and resist violence. To imagine a fair privatization in conditions of democracy among our vast population may be utopian, but without such dreams we will open the door for an undemocratic one to proceed unchecked.