

DEFINING AND DEFENDING THE “SOCIAL”: A CHINESE TALE

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I. *Situating the Question*

The experiences of the People’s Republic of China, because (and in spite) of its being formally socialist, can be looked at from the angle of the contested social domain in both terms of ideology and politics. Such contesting forces may range from government to citizens, from elites to the larger population, from the state to the market, from market to non-market actors, from classes to other social groups, from collective to family and individual agents, from public to private sectors, and so on. Central to this approach is the recognition of the changing social contract from within a paternalistic socialism to something yet to be determined and forged, depending on on-going struggles in local and global contexts.

Outstanding in the historical background of the question of defining and defending the social is the Chinese revolution. The republican revolution was to free Chinese society from the empire’s deepest ever crisis while facing foreign aggression and domestic pressure for modernization. It did end the last dynastic court (1911) and paved the way for modern changes but did not transform society. The subsequent communist revolution aimed at national and social liberation against both imperialism and the *ancien regime* at home, thereby empowering the people and enabling China to become powerful and prosperous, and an equal of other modern nations. It too, however, left many of its emancipatory promises unfulfilled: the record of communist transformation in China after 1949 is full of contradictions, such as between egalitarianism and inequalities, or between populism and authoritarianism.

In this connection, another dominant factor is the extraordinary scope and capacity of the post-revolutionary state resulted from a “total revolution”. Its overwhelming control over and penetration in society, its perceived legitimacy in representing national interests and popular demands, and its educational, mobilizational as well as coercive power reaching into even the private spheres led to a widespread conceptual conflation between “state”, “public”, “social”, and often the “common good” too. Such a linguistic confusion only reflects what has been taken for granted in the polity of Chinese socialism, its ideological commitment, policy orientation and social consciousness.

Consequently, the retreat but not disappearance of the communist authority in the post-1978 reform era constitutes the third contextual explanation. For those who see a “socialist state” as a provider, protector and regulator, the weakening of such a state is a dangerous loss. Yet for others who consider an authoritarian and repressive regime to be anachronistic, any steps toward decentralization or privatization is a gain. The fact that both of these images contain important truth is a manifestation of the dilemma of political reform in China. Decentralization, to be sure, need not be the same as privatization. For the latter could distort

the former, undermining its original purposes and benefits. In reality, however, the two processes increasingly converge. This can be seen in the runaway phenomena of illegal grabs of public assets (examples of selling failed state enterprises), local assaults on existing social policies (examples of rising fees for public education and health service), arbitrary police power and rampant corruption.

Finally, in an age of globalism, casino capitalism (financial speculation and market volatility) and communication technology, the social realm is at once free to expand and vulnerable to destruction. Globalization, while being a two-way interaction of the local and the global, entails imposition on, as well as participation from, national or regional units. In the cases of WTO entry and other moves to “jie-gui” (find global linkage), China has been a willing participant. Meanwhile, autonomous spaces in China are significantly enlarged by the international trends, in which associational life emerges, grassroots protests arise, non-governmental organizations grow and social movements develop. These socially enabling advances on the one hand, and broad social decay - shrinking public power and morale along with an unruly market - on the other, are what have brought the question of social defence to the fore.

Moreover, there is a keen and shared sense among the Chinese - which fundamentally unite government and ordinary people - of avoiding Russian-style anarchy. However inspiring liberal capitalism may be for some, however undesirable state monopoly is for (nearly) all, the cost of the “1989 revolution” in Eastern-Central Europe remains alarming.

II. *State Socialism and Welfare Capitalism*

One of the greatest achievements (along with great failures) of the twentieth century was the idea of social welfarism. It was rooted either in the tradition of social democracy or emerged in the wake of revolutionary socialism. Social democracy in a broad usage could embrace parliamentary socialism, Keynesianism, varieties of “third way” thinking, and third world radicalism such as Sun Yat-sen’s “three people’s principles” of which people’s livelihood was placed on a par with nationalism and democracy. It is perhaps debatable as to whether advanced social democracies especially Japan, northern and western Europe and Canada can actually be characterized as partially “socialist” (with direct or indirect historical connections with the Second International of European socialism). Or, whether at least they are more of a “social model” than ex-socialist countries in terms of both material provision and political rights protection. However, to those societies essentially based on a profit-driven market economy dominated by private property, the concept of “capitalism” should still safely apply.

The point is rather that although welfare capitalism and state socialism are very different systems with further differentiations between their respective sub-systems, they nevertheless resemble each other in state welfarism. As Charles Lindblom put it against the still not ebbing tide of the cold war in the 1970s, on the same principle of organizing society to benefit “the people”, liberalism and communism were both “humanitarian” in their ideologies with policy implications.¹ “In some important ways”, communist social policies were even “more humane than most market-oriented systems, showing a greater concern for income equality, for job

¹ Politics and Market: The World’s Political and Economic Systems, NY: Basic Books, 1977.

security, and for minimum standards of health and other necessities". He goes on to point out that appalled by the lack of freedom of thought and civil liberties under communist control, liberal democrats often forget that "in history many of man's greatest excesses are the other side of some great altruist effort".² There is no need here to trace that altruism in the revolutionary liberation movements that marked the twentieth century, yet it is worth noting that sound assessment can only be achieved without demonizing non-liberal democratic zones and paths.

Communist regimes in peace times (excluding war, terror or other emergency situations), as widely recognized but frequently uncounted among political commentators, were able to meet basic needs of their population and to achieve more equitable distribution than most countries in the capitalist developing world. Under communist welfare regimes, while freedom of speech and association was strictly limited (or "guided") to prevent organized oppositions, "people's sovereignty" did make an appeal, constitutionally and ideologically, to government serving the interests of the people. Free health care sustained in Cuba,³ poverty alleviation pursued in China,⁴ gender equality promoted in Vietnam,⁵ and workers' benefits legislated in the former Soviet bloc⁶ are some salient examples. (Ex-)socialist states including those in the third world typically demonstrated a high level of literacy, a low rate of infant mortality, and a decent index of life expectancy (the sharp contrast between the USSA and current Russia on this point tells volumes about the misconception of virtuous liberal capitalist democratization). The extraordinary events leading to human devastation there have to be treated seriously but separately, such as Stalin's purges in the 1930s or Mao's Great Leap famine in 1959-61.

It is also evident that huge investment in what is generally termed as "human capital" - public education and medical care, relative equity and security (before the IMF structural adjustment during recent Asian financial crisis) - characterized the developmental states of East Asia after the Japanese model. In spite of repression of wages and union activities especially at their take-off stage, the net result of industrialization in Taiwan, South Korea and Singapore, for example, was an impressive human development measured by HDI values (calculated by indices of income, longevity and education; newly introduced are also gender specific values). The concept of "social capital" concerning the vitality of civic and associational engagements⁷ might be seen as a critical contrast here to authoritarian management of capital accumulation.

Yet, apparently, social capital already presupposes a strong foundation in human capital in material and human production and reproduction, taking the latter for granted in the

² Ibid. p.6.

³ Even today, despite severe economic difficulties - see Robin Blackburn, "Cuba under the Hammer", *New Left Review*, 4, July/August 2000.

⁴ See the UNDP reports 1997, 1999; and a critical appraisal in Wang Shaoguang and Hu Angang, *The Political Economy of Uneven Development*, NY: Routledge, 1999.

⁵ Cf. Kumari Jayawardena, *Feminism and Nationalism in the Third World*, London: Zed, 1986, ch.11; Christine White in Sonia Kruks et al. eds. *Promissory Notes: Women in the Transition to Socialism*, NY: Monthly Review Press, 1989; Kathleen Gough, *Political Economy in Vietnam*, Berkeley: Folklore Institute, 1990.

⁶ Mikhail Gorbachev identifies a source of the UN 1948 Human Rights charter in the "Russian Declaration of the Rights of Workers and Exploited People", see Barend van der Heijden, et al eds. *Reflections on the Universal Declaration of Human Rights: A 50th Anniversary Anthology*, London: Martinus Nijhoff, 1998.

⁷ The concept is advanced by Robert Putnam among others in *Making Democracy Work: Civic Traditions in Modern Italy*, Princeton: Princeton UP, 1993.

wealthy and democratic west. What is then lost is the point that a healthy, educated, by and large socially cohesive population is something significantly positive in itself, apart from being also conditional for political participation and further social development. Rare among western commentators, John Gray recognizes that some East Asian examples “suggest the real possibility... of regimes that clearly meet the test of the minimum universal content of morality, and do as well or better than liberal states on other criteria relevant to human flourishing” (emphasis original) without adopting the western political norms.⁸ The Japanese trajectory, controversial as it is, is exemplary of successful institutional adaptation of liberal democracy without cultural assimilation. Not engaging the debate over modernization and westernization, let us return to the question of welfare to which that debate has so far failed to make itself relevant.

Self-identified as an “underdeveloped” or “initial-stage” socialist society, China, with an unintended interruption of the famine, sustained a minimal social security system with a very low GDP. It was mainly composed of an “iron rice bowl” arrangement in the state sector and a collective support network elsewhere especially through communes in the countryside. Housing, primary education and basic medical care (in particular mass immunization and disease prevention) were largely free or inexpensive. So were a set of other necessary public services from transportation and cultural entertainment (ed. the Ministry of Culture had an active rural work department) to women’s “special-needs subsidies” and poor relief. These gains have by now been recorded in the credible statistics of internationally authoritative publications such as the UN and the World Bank. While the PRC turned itself into an industrial power in a relatively short timespan,⁹ the reforms are developing a consumption-oriented economy and have considerably raised the country’s general living standards. In the past 20 years, more than 200 million people were lifted out of absolute poverty (30 million remained by 2000 according to the official figure); and the transition from a high rate of fertility and mortality to a relatively low one has been completed by the late 1990s. China is ranked within the category of “medium human development”, ahead of scores of third world nations with a similar level of GDP.¹⁰

To recognize authoritarian welfarism in general that featured state socialism and in different contexts some countries of developmental state capitalism as well, and the welfare dimension of the PRC in particular, is not to neglect their grave failings. There were indeed large gaps and daunting deficiencies of Mao’s “public good regime”.¹¹ Under that regime the institutionalized urban-rural divide or privileged bureaucrats made socialist egalitarianism a mockery. While the former problem revealed the logic of a revolutionary party turning into a ruling elite, the latter indicated predicament of developmentalist imperative intensified by the situation of “socialism and backwardness”. Both fundamentally damaged the social nature of the Chinese socialist model as a vision and an experiment. The demise of that regime in the marketplace today, on the other hand, has contradictory social consequences. Class and regional polarization, surging unemployment and the grim realities of corruption are in

⁸ Enlightenment’s Wake: Politics and Culture at the Close of the Modern Age, London: Routledge, 1995, p.83.

⁹ Cf. Carl Riskin, *China’s Political Economy*, NY: Oxford UP, 1988; Barry Naughton, *Growing Out of the Plan: Chinese Economic Reform 1978-1993*, NY: Cambridge UP, 1995.

¹⁰ UNDP Human Development Report, Beijing, 1997.

¹¹ Label used by Dorothy Solinger among others in *Contesting Citizenship in Urban China: Peasant Migrants, the State, and the Logic of Market*, Berkeley: U. of California Press, 1999.

conflict with the remaining and renewed ideological formulations. As popular confidence diminishes, the regime has suffered a lasting legitimacy crisis since Tiananmen 1989.

As far as public welfare is concerned, it is such an irony to realize that the near collapse of the Chinese welfare state (however partial and politically costly it was) occurred in the reform era when the country has become so much richer. It is ironic not because the retreat of the state accords classical capitalist logic but because it reveals the dilemma and error of new developmentalist ideology. The truth is that social security arrangements worked better not only for the urban but also for a large portion of the rural population in a time of general scarcity. Compared with year 2000, for example, before 1980, a higher percentage of girls in the countryside went to school; more clinics were open to cash-short villagers and the city poor; and far less, if any, homeless people or forced prostitutes or drug addicts were on the streets.

On the other hand, Maoist state welfarism was pursued in China at an increasingly unbearable price of sacrificing individual autonomy, civil liberties and freedom of mind. Chinese socialism was no doubt less statist than the Soviet system and can be seen as an attempted alternative to the Soviet model. Yet it had the same problem with democratic institutions and procedures where the theories and practices of historical communism contrasted most unfavourably with that of capitalist democracies. In other words, government and popular commitment to welfare provision and security aside, state socialism lost its popular mandate by comparison. This, of course, was part of the reason (along with military competition or market "relinking") why the cold war ended with the ultimate legitimacy and superiority claimed by liberal capitalism.

That claim is a mistake, however. What really won was social welfarism in combination with political democracy, not capitalism as such; nor was it the neoliberal free market doctrine that threatens, rather than enhances, social welfare west and east. The faith in a self-adjusting market, as Karl Polanyi put it, is an "economic superstition". More directly, Ulrich Beck sees "market fundamentalism" as "a form of democratic illiteracy". It indeed poses a threat to the international capitalist system itself. If free market has always been a political project linked with the slogan of democracy, there is nevertheless no evidence of sure linkage as actual processes. Worse still, tensions between economic polarization brought about by market liberalization on the one hand and political equality required by democratic participation on the other only discredit the new market and democratization paradigms of transitional politics. Socioeconomic well-being of citizens is at least as important and morally demanded as their political liberties, not only from a plain humanist point of view but also for democracy itself in which many of the social costs of "market rationality" cannot be legitimized. Not to mention that for any democrat not being cynical, civil-political rights have to be taken seriously to the extent that they can be actually exercised.

In other words, capitalism has to be self-limited in order to be democratic. After all, without the many successes of the post world war II welfare state (despite its late twentieth-century crisis) the "west" would not have the strength necessary to overwhelm its communist rivals. In the end, it was not historical communism's welfare dimension of meeting basic needs but its unfulfilled promises of equality, prosperity and democracy, due to a range of internal and external constraints with intended and unintended consequences, that led to its defeat.

Moreover, ahistorical and superficial comparisons cannot be fruitful. Rather than having ruthlessly chosen a wrong course, state socialism pursued its goals in difficult historical

conditions and hostile international environment.¹² For example, given that the communist revolution went to victory from its rural bases with peasant support in China, it would be more convincing to view the wayward urban bias in policies not as deliberate betrayal. Rather, it was resulted from the logic of so-called “internal accumulation” desperately engaged in “socialism in one country”, especially when the PRC positioned itself in confrontation with both conventional imperialism and Soviet “revisionism”.

Not being apologetic for any crimes committed in the name of the people or the nation or the revolution, one has to pursue a balance sheet of twentieth century ideological and sociopolitical competition with sufficient critical consciousness. And the relative superiority of social democracy over state socialism is indeed hardly reputable. Yet the question remains as just what was historically (im)possible. T.H. Marshall has an interesting, indeed optimistic, observation that might be taken as a response to this counterfactual quest: The chronological stages followed by western democracies from civil liberty to welfare state, or of political rights preceding economic ones (beyond property rights), may be reversed in developing societies.¹³

That is, there are magnificent, socially defensible and definable legacies shared among these otherwise diverse experiences. The problematic but cherished European social model (related to the contested welfare reforms), the ailing but still unbeatable Japanese developmental model, and the making of the Chinese “national-social” model¹⁴ must all be scrutinized and renovated. Whether any of them can succeed or revive would depend on each given society’s creative adaptability, political leadership’s skill, and popular will. The latter can only be formulated through public deliberations. These searches, choices and developmental paths shape and reshape, and are (re)shaped by, the changing parameters of on-going global transformation.

III. *Redefining the Social Realm*

A redefinition of the social realm is a starting point for any adequate understanding of the problems of Maoist socialism, and hence also for their possible solutions to be pursued through reforms. As noted, in the Chinese political vocabulary, the notions “state”, “government”, “public” and “social” came to be by and large interchangeable. Such conceptual, perceptive as well as policy confusions helped state penetration in the “life world”,¹⁵ and endorsed a tendency to collective deprivation of the individuality. On the other hand, market reforms, while reclaiming the social space, also create possibilities for the social character of the post-revolutionary Chinese system to be dismantled. This takes various forms from abuse of government and legal offices to private appropriation of public wealth and power.

¹² Cf. Fred Halliday, *Revolution and World Politics: The Rise and Fall of the 6th Great Power*, Durham, NC: Duke UP, 1999.

¹³ “Freedom as a factor in social development”, in *The Right to Welfare and Other Essays*, NY: Free Press, 1981, pp.157-75; cf. also R.P. Claude, ed. *Comparative Human Rights*, Baltimore: John Hopkins UP, 1976, pp.41-6; Ann Kent, *Between Freedom and Subsistence: China and Human Rights*, NY: Oxford UP, 1993, ch.1.

¹⁴ Samir Amin’s phrase elaborated in the new edition of *The Future of Maoism*, Ahmedabad: Rainbow, 1998, pp.133-42.

¹⁵ A phrase borrowed from Edmund Husserl in its Habermasian elaboration to encompass both the private and the public sphere of citizenship and symbolic reproduction. See *The Theory of Communicative Action*, vol.II, Cambridge: Polity, 1987.

At the basic linguistic level, it is clear that these terms are indeed partially overlapping. But they must still be conceptually distinguishable for analytical purpose and politically separated for better politics. In common-sense references, modern "state" signifies the constitution, the law, the bureaucracy, and domestic and foreign policies. "Public", as opposed to "private", is a label for state and non-state organization of society via participation outside the family. "Social" may encompass a wide range of formal and informal institutions and activities from culture and community to government and "civil society". The embeddedness of both public-serving power from above and socially beneficiary forces from below in the social realm should not prevent us from drawing the boundaries, so it can be guarded and developed in which free, secure and associated individuals flourish.

Such a social space is therefore to be supported by state provision and protection but not dictated by the state. Likewise, it might be participated by market transactions but not be subject to the market logic of exploitation and alienation. The thesis of state's "structural dependence on capital" in social democracies¹⁶ is relevant to the extent that a market economy is probably not avoidable for a society to prosper. The organization of market economy, however, must also rely on government and non-market organizations, and may take a variety of directions of which some are more socially oriented than others. Multiple and entirely visible possibilities of reconceptualizing ownership or work, for example, complicate conventional public-private distinctions in culture and political economy.

There could be such pairings as a private market versus a public state (i.e. the "developmental state" in East Asia), or a public market versus a private state (e.g. predatory or patrimonial or cronyist state behaviours). Market and state may be pressed together under private monopoly (as in Mobutu's Zaire or Soeharto's Indonesia), or they can both be publicly controlled.¹⁷ There is yet another scenario which is the closest to a social model that defies state-society or state-market antagonism deep-seated in mainstream liberalism. It is true that when state authority is seized by private interests, a market society could be forced to more or less function in public defence. It is also true that many states, in China as elsewhere, are market-facilitating. But the market does not by itself provide consistent social support for citizens as equal individuals. Market, as much as state, needs to be checked and balanced by socially powerful voices and forces. Both institutions should be vehicles of social gains and public purposes.

The feminist critiques of public/private dichotomy in terms of exclusion of women from social participation outside the family are less useful for the experience of Chinese socialism than for many other societies across the developed and developing world. This is because female participation in the social domain is extensive due to pro-women policies of the PRC. Indeed, public education and intervention in gender relations were pushed so far that they stripped away much of personal autonomy and privacy. Still, despite serious flaws including equality through sameness, "state feminism"¹⁸ was liberating and empowering especially initially as a task of transforming a deeply patriarchal and repressive traditional society. Family planning is a different and difficult matter. A "social" approach to rational population control relying on voluntary acceptance, community aid and public provision could be morally

¹⁶ Hence the mitigation of class conflicts elaborated by Claus Offe and Adam Przeworski in their various works.

¹⁷ Cf. Claus Offe, *Modernity and the State: East, West*, Cambridge: Polity, 1996, Part III.

¹⁸ For a Nordic comparison cf. Helga Maria Hernes, *Welfare State and Woman Power: Essays in State Feminism*, Oslo: Norwegian UP, 1987.

superior and practically more effective compared with either state coercion or market incentives.¹⁹

In the end, “social” cannot be the same as “state” in terms of ownership relations or of binary partnership between society and its members. Nor is the social dimension merely another word for the “public sphere” or “civil society”. The distinctiveness of a social perspective lies in its conceptual insistence on cooperation and transformation of a whole range of participating actors in a social domain, transcending rigid demarcations between state and society, planning and market, public and private, collective and individual. Such a model would involve an actively participatory citizenry; a society equalizing in “human capital” and rich in “social capital”; a just, law-binding and redistributive government, central and local; a regulated market protected by the national state but also constrained by needs-driven (as opposed to profits-driven) mechanisms; and an expanding non-market terrain of moneyless production, exchange and service. This model aims to counter an authoritarian and bureaucratic state, to overcome a “weak public” (which is capable of opinion formation but not actual decision making),²⁰ and to correct a “civil society” (outside the governmental and business sector) dominated by vested groups.

If there is any affinity between the social model and the corporatist models familiar to European, Latin American and Japanese studies, they are nevertheless different. That is, the former is “ontologically” social, so to speak, while the latter take corporatist organizations and engagements as the means of state or societal goals such as economic development and social cohesion.²¹ The social realm advocated here therefore needs to be free of the corporatist problems such as monopoly over knowledge and representation or political conformity. By contrast, it is inherently pluralist or multicultural, as well as impartial and equal concerning social policies and the treatment of individuals. Moreover, it would nurture civic consciousness, embrace creative initiatives and encourage dynamic social movements.

To its credit the Chinese revolution destroyed an old society; but it is a shame, due to the threats of hostile forces, real or imagined, that the post-revolutionary state crushed or stifled independent social spaces. It is a significant gain that post-Mao reforms to a considerable degree liberalized China’s economy and polity, yet this liberalization too failed to develop a social realm empowered by security, solidarity and participation. The transformative potential of the discursive and institutional construction of the equal social for human existence in China depends precisely on overcoming these historically conditioned contradictions. As to whether political democracy would help this process, it is a matter of popular understanding of what democratization might entail. Electoral politics can be purely formal and socially fruitless unless it becomes itself constitutive of the social.

¹⁹ Cf. for example, Elizabeth Croll, et al. eds. *China’s One-Child Policy*, London: Macmillan, 1985; Cecilia Milwertz, *Accepting Population Control: Urban Chinese Women and One-child Family Policy*, Richmond, Surrey: Curzon, 1997; Amartya Sen’s discussion in *Development as Freedom*, NY: Knopf, 1999.

²⁰ Cf. Nancy Fraser’s critical comments on Habermas in *Unruly Practice: Power, Discourse and Gender in Contemporary Social Theory*, Minneapolis: U. of Minnesota Press, 1989, ch.6.

²¹ Cf. Philippe Schmitter’s distinction between state-corporatism and society-corporatism in “Still a century of corporatism?”, in F. Pike and T. Stritch, eds. *Social-Political Structures in Iberian World*, Notre Dame: U. of Notre Dame Press, 1974.

IV. *Social Defence and Development*

In other words, taking democratic transition seriously in China, only an advanced social sector can generate visions and actual forces to democratize state and society, and in turn the global order as well. Under the double pressure of postsocialism and globalization, social power and consciousness may rise or fall. To defend the social is thus to hold it as an antithesis of not only old statism but also some new market changes: individual atomization and crude "economic rationality", privatization with polarizing social consequences, cultural decline and commercialization of values.

At least four main contributing dimensions to social defence and development are identifiable: a) state redistribution for security, b) popular participation in community building, c) public deliberation to influence policy decisions, and d) interactions with the world to guard and benefit the local social. Each of these is subject to contests and may be turned into a losing battle. Constructing the social is after all a fight to win.

First, it is obvious that the government has a crucial role to play. There should, against the widespread myth prevailing in the liberal distrust of state, be a positive correlation between a strong state and a strong society in legally and justly arranged politico-social settings. Apparently, personal autonomy alone cannot reduce human sufferings in the face of political, socioeconomic or natural-ecological problems on a large scale. It is a simple reasoning, as Abraham Lincoln famously put it, that whatever a community of people need to have done, but cannot do or cannot do well "in their separate and individual capacities", that defines the object of government. In this light, it becomes clear that market liberalization and decentralization can go too far in a formerly state socialist or welfare capitalist societies and therefore weaken state capacity to the detriment of maintaining a decent level of social security.²² An example at hand is the problem of financing China's recent "three-line" security project that the government aims to ensure pension, a living allowance for redundant workers and unemployment benefits, and the minimal standard of urban living. While efforts have been made to rebuild a "safety net" (and the land reserved for temporary outflow migrants might be roughly seen as a rural equivalent), any success even for such a moderate proposal would rely on tax revenue and other resources that state authorities can retain for needed public spending.

Whether or not state welfarism is outdated, the neoliberal doctrine of a free market certainly does not offer a desirable alternative. Without some vigorous social restrictions on the scope of the market, a country like China would lose its human capital accumulated over decades of hard work and heroic struggle. If sweatshops in the private sector do not meet minimal legal standards on labour conditions and environmental protection, if security for jobless, old age, illness and disability decreases rather than increases, if poor children cannot go to school and patients without money are denied emergency treatment, then what is so good about reforms? The rise of the general living standards for one-fifth of the world's population is no doubt an immensely significant achievement, yet it is stained and indeed also held back by new forms of polarization and social decay. However "free" a market may be, it is not

²² Cf. A.B. Atkinson, *The Economic Consequences of Rolling Back the Welfare State*, Cambridge, MA: MIT Press, 1999.

equitable with freedom. Rather, it injures the “losers”, generates social exclusion, alienation and money fetishism, and produces, as brilliantly portrayed by the Frankfurt School critics, “one-dimensional” men and women.

On the other hand, as the state cannot be the sole provider, there must be the second, community dimension of social construction. It has been argued mainly in the EuroAmerican “future of work” debate that the use value of immediate needs satisfaction of an informal economy should thrive between market consumption and government distribution (e.g. self-organized exchange of baby-sitting and other domestic services, voluntary community work, and so on). Welfare reform is about moving towards a “welfare society”, as Gosta Esping-Andersen calls it, from a “welfare state”.²³ It can be economically gainful, humanly fulfilling and socially participatory to utilize traditional as well as newly inventive institutions for non-governmental welfare delivery.²⁴

As the argument focuses on useful (as opposed to profitable) activities for self- and cooperative provision, it also addresses an environmentalist concern: While industrialism is polluting or exhausting many of the earth’s resources, collective action at the community level is vital in promoting a more nature-friendly lifestyle against rapacious consumerism. An ideal community is thus situated at once in a non-market and non-state sector (while interacting with both), free of exploitation on the one hand and bureaucracy on the other. Such a virtuous space, however, can only survive in the larger context of a rational political economy in which the involvement of both state and market so far remains inevitable. The three “steering principles”, as articulated by Claus Offe and Rolf Heinze, are reciprocity, freedom, and equality in rough correspondence respectively with community, market and state.²⁵ Related discussions include that of reduction of workweek, of “grey capitalism”²⁶ and of the transformation of labour market.

Here the Chinese experience is not only comparable with a community-based “third force” observed in post-industrial societies, but also advantageous on several counts. Throughout Chinese history the households have been reproductive as well as productive units in towns and countryside. Self-managed mutual help at the grassroots has also been traditionally strong. Modernization does not have to shed all the traditional organizations of sustaining lives and community welfare. There is, more than a tradition of self-reliance, also a modern collective sector created in the Mao years and later revitalized in a market economy.²⁷ Neighbourhood and locally networked services, for example, continue to be indispensable for nurture and care. The “double-level management” that replaced the communes, as another example, was meant to strengthen, rather than abandon, collective allocation and usage of resources.²⁸ The collapse of double-level arrangement into the single-level of household in many areas is not irreversible. As a social commitment, combining state, collective and individual interests was central to

²³ Ed. *Welfare State in Transition: National Adaptations in Global Economies*, London: Sage, 1996.

²⁴ Cf. special issue of *Soundings*, London, spring 1990.

²⁵ “Beyond the labour market” in Claus Offe, *Modernity and the State*, *ibid.*

²⁶ For example, Robin Blackburn on pension funds and stake holding in *NLR* 233, Jan./Feb. 1999.

²⁷ Wang Ying, *New Collectivism*, Beijing, 1996.

²⁸ Cf. Lin Zili, *On the Products-Based Contract System: Also on the Socialist Agricultural Developmental Path with Chinese Characteristics*, Shanghai: People’s Publishing House, 1983; Du Runsheng, “The product-based contract system and the new development of rural cooperative economy”, in *Rural Development Institute of the CASS, Collected Essays on the Rural System of Productive Responsibility*, Beijing: People’s Publishing House, 1986.

Chinese socialism. As the saying went, before recent popular protests against corruption and private appropriation of public goods, "tiny streams full when the big river flows". There should be, however, caution against communal utopia so passionately defended by such thinkers as Andre Gorz.²⁹ Free associations of free producers might be small and self-sufficient, they nevertheless cannot be closed to the outside world. This is a critical response to the European echoes of the flawed Maoist model of communal socialism, which displayed every possible limit of isolated development. What is likely for the Chinese to resemble, on a larger scale and with its own innovations, is rather "state-led community welfare" of East Asia where the government plays an active role in organizing and regulating non-governmental provision.³⁰

The essence of the community thesis, whatever the valid criticisms, is about full participation, self-management and collective control over one's own destiny. The west-east divide over individualistic and collective ethos of culture is often overstated, for the supposedly "illiberal" or anti-individualist idea of community is just as important in the western traditions.³¹ The key inter-linkage is the dialogical requirement for developing the social.

Thirdly, therefore, the communicative conception of reason (as opposed to subject-centred paradigms criticized by Habermas) is inherent in a social conception. After all, the social realm is where different views are voiced and the "general will" formulated, where rights and entitlements are fought and consensus can be reached, where individual and collective accomplishments attain recognition, and where norms and values are exposed, contested, transformed. Wherever and whenever people lose their ability to communicate, they lose their social bond and thereby rational association. Communication is an organic part of community itself. As Raymond Williams cherished it as a core of the (idealized, British) working class movement, a "common culture", through everyday democratic participation and educational expansion. It is created and recreated by the common people communicating with each other in their autonomous communities.³²

Finally, any discussion of the national or transnational social is inescapable from its global context. The Chinese economy has so far experienced only what Stephen Haggard describes as "shallow integration" in the world market (e.g. partial currency convertibility and foreign exchange controls) and hence retained some necessary safeguards for national security against risks in the international financial market. While it is impossible to re-"delink", China's infant industries and labour-intensive agriculture still in great need of being protected. The country's WTO membership, for example, because of its anticipated effects on the entire population, should be subject to public deliberation by informed citizens before any decision can be made by the Chinese government on China's own intention in the first place. The point here is two-fold: In the light of the persistent and long debated problem of capital and surplus retention for the developing countries, the unequal exchange and dependency theories retain much of their relevance. Furthermore, contrary to the ideology of global singularity and the belief that the room for local political actions vanishes along with globalization and supra-

²⁹ Especially *Paths to Paradise*, London: Pluto, 1985.

³⁰ See Roger Goodman, et al. eds. *The East Asian Welfare Model: Welfare Orientalism and the State*, London: Routledge: 1998; Didier Jacobs, "Social welfare system in East Asia", LSE Working Paper, 1998.

³¹ Cf. Charles Taylor, "What's wrong with negative liberty?" in David Miller, ed. *Liberty*, Oxford: OUP, 1991.

³² See, for example, *Culture and Society: 1780-1950*, London: Chatto & Windus, 1960 and *What I Came to Say* (ed. by F. Mulhern), London: Hutchinson Radius, 1989.

national regionalization, the latter processes only load more responsibilities on national and sub-national governments.³³

To conclude on a simple note, economic stability, labour rights and political participation are fundamental for the sovereign Chinese social to be upheld. Given the country's sheer size and dynamics, China is historically too rich, politically too preoccupied (re: the legacies of revolution and socialism) and socially too vital to not forge an alternative to both statism and market fundamentalism. Welfarism in relation to social justice has not outlived its day, only that its existing systems have to be thoroughly democratized against bureaucratic paternalism and rent-seeking, and fully socialized against private hegemonies. While repairing the ship in an open sea, if there is any chance for China to succeed, it ultimately lies in the actual model-building of social defence.

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³³ Cf. Paul Hirst and Graham Thompson, *Globalisation in Question: The International Economy and the Possibilities of Governance*, 2nd edn. Cambridge: Polity, 1999.