# Paper No. 2

# THE ''SCIENTIFIC OUTLOOK ON DEVELOPMENT'': Hu Jintao's Speech to the 17th Communist Party of China Congress

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October 2007, revised July 2008

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#### 1. Chinese Deep Culture: The san fa

When the President of the world's largest country addresses the 17th Congress of the Communist Party on "development" better listen. Not because it is about communism, but because it is about China. What, then is so extraordinary about China? The way Chinese think, their world views, and how actions flow from their world views.

What is so extraordinary about that? The way three different world views--daoism, confucianism and the late-comer (to China), buddhism--have co-existed. Western modernity, left and right, was grafted upon the solid base of the <u>san fa</u>, the Three Teachings.

A very brief summary, trying to capture something essential from the daoist Dao Deching, the confucian Analects and buddhist texts:

<u>Daoism</u>: reality is a <u>holon</u> with <u>yin-yang</u> dialectics of contradictions, with the dominant waning and the other vexing till a turning point with some other side dominant, and thus it continues, from one side to the other and from one contradiction to the next. Humankind is a holon, suffering the suffering of others, and enjoying the joy of others;

<u>Confucianism</u>: power flows from the wisdom of educated older males; inspiring high quantity and quality of work, attention to details, taking light things heavily and heavy things lightly, and harmony;

<u>Buddhism</u>: reduce <u>dukkha</u>, suffering, and increase <u>sukha</u>, fulfillment for all; securing for everybody neither too much nor too little; everything being related to everything in an <u>engi</u> of co-arising dependency.

There is a daoist-buddhist epistemology of holism-dialectics, different from Western, aristotelian-cartesian, atomism-deductionism. Reality is endowed with an organic inner life as opposed to mutually detached elements held together logically in deductive theories. This is reflected in an ethics of mutuality, with humans being parts of each other as opposed to Western individualism; a collective Weculture as opposed to individual I-culture ethical budgets. Not always practiced; but "we" and "I" are deeply embedded in the two cultural codes.

#### 2. <u>A theory of Chinese development</u>

What does this mean for development theory and practice?

There is a built-in daoist tension in <u>san fa</u>, between a confucianism that elevates some above others and a buddhist focus on equality, also with nature. A theory<sup>1</sup> of Chinese development theory should have that tension built into it, with turning points between the confucian and the buddhist foci. Concretely: between <u>growth</u> and <u>distribution</u>, between increasing average and decreasing dispersion of income and wealth distributions, using as indicators average national income (GNP/capita) and 20:20 ratio in acquisitive power (for the upper lower quintiles). When one vexes the other wanes; and vice versa.

Western development theory and practice has oscillated between the two extremes of neo-liberal "growth without distribution"-invoking an elusive trickling down effect--and the old-communist "distribution without growth"--invoking an elusive liberation of productive forces effect. In-between we have growth first, then distribution (but time for the latter seems never to be ripe); distribution first, then growth (with take-off problems); and efforts to do both at the same time.

Chinese Three Teachings Development Theory is none of the above. They are willed policies only, with an opposition wanting the opposite. Daoism sees those opposites as inherent, not as willed human politics.

Daoism as philosophy covers human as well as non-human nature. There is an inner dialectic. There will be turning points. You can go for growth only, or for distribution only; you can give animals work only, or immobility only. But reality will punish your onesidedness. The society will wither away, so will the animals. You must respect the turning points. That means keeping your ear close enough to the ground to identify the rumblings signaling the time for turning.

There may be more than one dialectic working at the same time. And more than one holon to attend to, dialectically and holistically.

The buddhist dictum of neither-too-much-nor-too-little, with too little implying <u>dukkha</u>, and too much standing in the way of <u>sukha</u>, carries the distribution message for economic, i.e., scarce, goods. But is there a Confucian growth message contradicting distribution?

Confucianism was compatible with Chinese feudalism and <u>shi'h-</u> <u>nung-kung-shang</u> (intellectuals/rulers-farmers-artisans/workersmerchants) top-bottom hierarchy; as opposed to the daoist-buddhist countertrend. And it was compatible with Chinese capitalist growth, with rich vs poor and top vs bottom.<sup>2</sup> Hierarchy is nature-given as is harmony mitigation.

The theory hypothesized successive daoism-inspired dialectic turning points between buddhist inspired distribution and confucian inspired growth phases, applied to the holon referred to as "China": <u>growth</u>

<u>o = turning point</u>

distribution

A rough sketch of the policies pursued, with much devotion: 1949: deep land reform, cooperatives, up to Peoples' Communes 1958: the Great Leap Forward, iron furnaces, industrialization 1967: the Cultural Revolution of power distribution 1976-80: the great confusion after Mao Zedong's death 1980: Deng Xiaoping's policy of free markets for agricultural goods 1989: brakes on economic growth after the Tian Anmen demonstrations 1998: green light for market economy under Party-State control 2007: full attention to distribution 2016: hypothesis: more attention to growth <u>or to a new dialectic</u>

Here is a Chinese farmer asked<sup>3</sup> about capitalism vs socialism:

"Capitalism is superb, so dynamic, something happening all the time. But capitalism is terrible, some have too much and become corrupt, many have too little and become criminal, prostitutes. Socialism is superb, everybody has neither too much nor too little. But socialism is terrible, it is so static, so boring, nothing happens!"

There are two contradictions at work here: dynamic vs static, and equality vs inequality. Pursuit of dynamism leads to inequality and pursuit of equality leads to statism (state-ism!), both unbearable.

The intervals are short, and about equal, like <u>nine years</u>; with a period of four years 1976-80 with no clear policy at all but the search for one, with mass meetings, debates, posters big and small.

Periods of <u>ten years</u> gives 1949-1959-1969-1979-1989-1999-2009, capturing the Great Leap, the Cultural Revolution and Tian Anmen, leaving out confusion, Deng policy, the directives from the Assembly of 1998, and the 17th Congress. We stick to the nine years hypothesis.

Why <u>nine</u>? No idea. The Chinese philosopher Ssu-Ma Ch'ien<sup>4</sup> had a theory of turning points in Chinese history between "bad" and "good" emperors, the bad ones being repressive, strengthening the top, the good ones being benign to the bottom. We are talking about the time needed to take out the positive aspects of a policy before the negative aspects become so overwhelming that time has come for turning, not 180 degrees, that means backward, but something more like 90 degrees.

Thus, the Soviet Union failed to respect the signals and clung to the same course, hoping for another type of dialectics, the hegelian transition from quantity to quality. Who perseveres will be rewarded; suddenly communism will be ushered in. The USA is doing the same, maintaining an empire with 700 bases in 130 countries; world hegemony will be ushered in. The Soviet Empire collapsed. So will the US Empire.

To summarize: on a dimension for the epistemology of change there is automatic "turning point command" on the one end and "human command" on the other. Turning regardless of what humans demand, versus human will superimposed on what dialectic commands. Daoist philosophy is somewhere in-between. The yin-yang dialectic is a force to be used, to surf on top of, or else it will sooner or later ride on top of us. Some sufficiency added to the famous freedom as insight in necessity.

#### 3. Hu Jintao's speech: Key vocabularies and discourse

The speech<sup>5</sup> indeed confirmed the prediction for the year 2007: possibly the major course correction for capitalist growth so far.

Zhou Enlai used to talk about a socialist, modern society by the Year 2000, "modern" standing for growth, "socialist" for distribution. It may be argued that they met the growth goal as witnessed by major Chinese cities with their dense forests of sky-scrapers and all the trappings of modernity for 400 million moved up from poverty 1990-2004.

So, what are Hu Jintao's new goals, means, and buzz-words?

#### Goal 1: <u>Socialism with Chinese characteristics</u>

**Comment:** "Chinese characteristics" are probably exactly what <u>san fa</u> is about, a socialism based on organic we-culture and educated leadership, in addition to an I-culture with institutionalized equality.

Goal 2: <u>A moderately prosperous society by 2020 in all respects</u> **Comment:** The word "prosperous" is modified by "moderately", and yet the expression calls to mind "to be rich is glorious". "In all respects" expands this to include more dimensions, and more contradictions. The time horizon is now 2020, away from the triple-0 magic of 2000. Where will the USA be then, possibly with its empire gone, relative to China? Like the depression USA of the early 1930s overshadowed by <u>petiletka</u> (five years plans) Soviet dynamism (before the Moscow processes--)?

Goal 3: <u>Socialist democracy; rule of socialist law</u> **Comment**: Two terms dear to the West are qualified by "socialist", while also opening for "democracy" and the "rule of law". Meaning what?

Goal 4: Promote social harmony

**Comment**: The expression is very frequently found. "Social harmony" is to be applied to rich/poor, East/West|Coastal/Inland and Urban/Rural. The way it is used points to equality of opportunity and livelihood, in other words to the narrowing of gaps. Men/Women are mentioned.

Means 1: <u>Adapting marxism to the conditions of China</u> **Comment**: This refers to the primary role attributed to classical teachings but also to making marxism more attentive to superstructure, and indeed, to the countryside and the primary sector/agriculture.

Means 2: <u>Deng Xiaoping's Theory and Thought of Three Represents</u><sup>6</sup> **Comment:** Concretization of the preceding point, not forgetting Marxism-Leninism and Mao Zedong thought, but critiqued for "the erroneous theory and practice of 'taking class struggle as the key link'/as opposed to/ "economic development and introduce reform and opening up".

Means 3: Emancipate the mind, persist in reform and opening up Comment: There have been turning points and will be more, the mind has to become flexible and open - the latter also toward outside China.

Means 4: <u>Scientific Outlook on Development</u>

Comment: Very frequent, the cover formula; used here as essay title.

Exactly what does Hu Jintao mean by a "scientific development" with "Chinese characteristics"? It is hardly far-fetched to assume that the formula invokes general daoist-buddhist thinking, holistic and dialectic in its epistemology. If this sounds "esoteric" to Western ears, or like philosophy, it should be kept in mind that it may be as normal-natural to a Chinese (like the farmer quoted) as atomism and explanation by deduction from more general principles to a Westerner.

Holistic suggests more holons, <u>dialectics</u> more contradictions. Four development holons are the <u>nature</u>, <u>human</u>, <u>social</u> (divided into local-provincial-national) and <u>world</u> levels. And five contradictions are <u>economic-cultural-political-military-social</u>. That gives 20 angles to a "scientific outlook on development with Chinese characteristics". <u>San fa</u> demands that Hu should consider most of them. And he does.

In other words, the chinese discourse of development would be					
	Economic	Cultural	Political	Military	Social
Nature					
Human					
Social -local -regional -national					
World					

In other words, the Chinese discourse of development would be:

Of these 20 angles Western theory and practice have focused on the economic-social, with fetishization of the growth of GNP, the gross national product of a country, even if the discourse is now broadening.

Overrcoming district disparities is high on the EU agendas. "Nature" is in, as environment policy against depletion, pollution and global warming. Local development was more prominent in the 1960s. Human development is in the UNDP Human Development Reports, as health and education. "World" is mainly missing, however. And "economic" is still the <u>force motrice</u> with the others waiting till sufficient surplus is available. Actually, health may be more basic and not very costly.<sup>7</sup>

Cultural development is recognized as education, but not as deep culture (like <u>san fa</u>); political development is recognized as democracy but not as general participation; military development as innovation and as keynesian stimulus; and social development as liberating suppressed women, races and nations, but no longer the working class.

If buddhism means neither-too-much-nor-too-little, what does

confucianism mean in "Chinese characteristics"? Probably all of the above, with the primacy of education, discipline and social harmony. Development must be guided by science and education, like in the West. But, as opposed to the West, Hu seems to see the Communist Party as the carrier of science and education, like mandarins and imperial courts were carriers in pre-Communist dynasties. Leadership and guidance in confucian China means being well educated and update scientifically, the reason why the post-lunch part of one day meetings of the Politburo of the CPC is dedicated to talks by leading intellectuals.

However, if the role of the Party is to carry knowledge and wisdom rather than values and ideology, and there is a unity to knowledge not found in values, then there can be only one party, but that party, like the one Academy of Sciences, has to be diverse and open to dialogue, including to democratic decision-making. This opens for some kind of democracy, but not for the one the West cherishes, also to the point of fetishism: multi-party fair and free state elections (FAFE).

In China the expression "idea democracy" as opposed to "numbers democracy" has been heard in connection with people lining up outside public offices, with ideas coming out of dialogues in wards etc. Quality vs quantity. Even if Western majority parties are diverse carriers of values and world views, it is hard to see them as carriers of knowledge and wisdom. So they call in techno-bureau-crats, and are easily manipulated. Which is better? Does one exclude the other?

How about quality <u>and</u> quantity?

#### 4. The 2007 Turning Point: The concrete proposals

After these explorations in the development relevant aspects of Chinese deep culture, a theory of Chinese development, and the key vocabularies in Hu Jintao's discourse, time has come to be more concrete. This is more than a report of a report, more like a test of a theory of "how Chinese think, their world views, and how actions flow from their world views", as stated in the beginning.

Concretely, what is the content of this hypothesized turning toward distribution?

Three elements can be identified in Hu Jintao's rich speech: the positives that have been obtained, negatives now coming up, and concrete ideas about new positives, well knowing that the balance may again look negative, after some time. We shall focus on new positives.

<u>Objection</u>: His critique, and his proposals, are not that new. How can we know that he has not simply picked them from Western reports about China (when nobody is looking), and launched them as his own?<sup>8</sup>

<u>Answer</u>: Have a look at what follows and imagine a corresponding meeting in a Western country, like a "development report".<sup>9</sup> The contradiction would be <u>between</u> groups/parties etc., those in favor of staying the course and those against. In China--the thesis is--that contradiction is built into the nature of reality and inside all its subdivisions, as dilemmas for everybody to observe and react upon.

In the West different groups will advance different theories of what went wrong and why, competing for the attention of the top decision-makers. In China dilemmas are more within.

In the West dilemmas crystallize as struggle, nonviolent or violent, between persons, groups, parties, countries, regions. In

China, in principle, they will all be carriers of that dilemma on the inside, looking-listening for the signal to turn around.

Maybe that leads to idea rather than number democracy?<sup>10</sup>

To summarize President Hu's positives, first his own summary. The focus is on the "National Economy" (including environment), "Socialist Democracy", "Socialist Culture" and "People's Livelihood", altogether 24 program points:

V. Promoting Sound and Rapid Development of the National Economy

1. Enhance China's capacity for independent innovation and make China an innovative country.

2. Accelerate transformation of the mode of economic development and promote upgrading of the industrial structure.

3. Balance urban and rural development and build a new socialist countryside.

Improve energy, resources, ecological and environmental conservation and enhance China's capacity for sustainable development.
Promote balanced development among regions and improve the pattern

of land development.

6. Improve the basic economic system and the modern market system.

7. Deepen fiscal taxation and financial restructuring and improve macro-economic regulation.

8. Expand opening up in scope and depth and improve our open economy.

#### VI. <u>Unswervingly Developing Socialist Democracy</u>

1. Expand people's democracy and ensure that they are masters of the country.

2. Develop primary-level democracy and ensure that people enjoy democratic right in a more extensive and practical way.

3. Comprehensively implement the rule of law as a fundamental

principle and speed up the building of a socialist country under the rule of law.

4. Expand the patriotic united front and unite all forces that can be united.

5. Accelerate reform of administrative system and build a serviceoriented government.

6. Improve the mechanisms of restraint and oversight and ensure that the power entrusted by the people is always exercised in their interest.

## VII. <u>Promoting Vigorous Development and Prosperity of Socialist</u> <u>Culture</u>

1. Build up the system of socialist core values and make socialist ideology more attractive and cohesive.

2. Foster a culture of harmony and cultivate civilized practices.

3. Promote Chinese culture and build the common spiritual form for the Chinese nation.

4. Stimulate cultural innovation and enhance the vitality of cultural development.

## VIII. <u>Accelerating Social Development With a Focus on Improving</u> <u>People's Livelihood.</u>

1. Give priority to education and turn China into a country rich in human resources.

2. Implement a development strategy that promotes job creation and encourage entrepreneurship to create more employment opportunity

3. Deepen reform of the income distribution system and increase the income of urban and rural residents.

4. Accelerate the establishment of a social security system covering

both urban and rural residents and guarantee their basic living conditions.

5. Establish a basic medical and health care system and improve the health of the whole nation.

6. Improve social management and safeguard social stability and unity.

#### <u>Comments</u>:

An expression not found above is "economic growth". What we find are some classical approaches associated with economic growth, such as V.2 and V.6, and also V.1 and V.8. But V.3 addresses the urban-rural, V.4 the human-nature and V.5 the regional gaps. V.7 sounds also like an <u>anti-corruption<sup>11</sup></u> measure.

Under VI we find several dimensions of <u>democracy</u>. The basic principle is the people as masters, exercised at the primary levels, meaning local democracy and organization democracy - but not, it seems, state level democracy. The administration and the government are to be held accountable through the rule of law rather than through an elected assembly - except at the primary level.

In this process <u>cultural development</u> is seen as essential, and it has to be both <u>socialist</u> and <u>Chinese</u>. As mentioned above, the <u>san fa</u> render themselves easily to this task. China is culturally selfsufficient. That makes <u>cultural innovation</u> even more important.

Under VIII <u>social development</u> is clearly seen in distributive terms, both in the sense of <u>lifting the bottom</u> through education, job creation, income, social security, medical and health care--all of this basic needs oriented, geared toward livelihood and basic living conditions--and by <u>decreasing income and urban-rural gaps</u>.

Going back to the development discourse Table we find most of it covered even in this very schematic listing of Hu' headings. The world is there in the sense of "opening up" and a statement by Hu to the effect that these principles of lifting up and equalizing will also guide China's work in other countries. "What can China do for the world"<sup>12</sup> and "what can China do for Nature" are new perspectives and still underdeveloped; what the world and nature can do for China seems to be closer to the heart. The program is China-focused in a context.

For deeper understanding than this overview read the whole speech.

The summaries of Hu's speech for the 17th congress in the national English <u>China Daily</u> (for October 15 and 16) are also

`helpful:

what can be expected in the next few years is the growth of many new industries, related to bioenergy, pollution-control technology and waste treatment--A brand new development model, with machinery for sewage treatment, de-sulfurization in thermal power stations, urban and industrial waste treatment, hazardous material recycling and treatmentLINUX - the need for less expensive operating systems is driving expansion of the Asianux product.

- strengthening efforts to develop and manage Internet culture and foster a good cyber environment.<sup>13</sup>

- the new emphasis on development based on science will rectify the long-standing policy of development at the cost of natural resources and social justice.

- that means the government will strengthen its public service, channel more funds into public service rather than investment.

- these include efforts to promote CPC's internal transparency and consultation in policy making, strengthen internal supervision and introduce more competition with the Party.

- more democratic methods have been introduced in shuffling Party leaders in the past year, including large-scale consultations and assessments among members on candidates for top positions. Also, local authorities have experimented with indigenous forms of checks and balances in recent years to find viable ways to curb corruption.

- companies at China's largest trade fair that breach intellectual property rights (IPR) will be permanently banned from future events.

- China's Gini coefficient was estimated at 0.47 this year. The "alarm boundary" is 0.4. The coefficient was 0.3 in 1982 and 0.45 in 2002.

- while the \$2-a-day poverty rate in China was as high as 64.5% in 1993 it had fallen to 37.8% by 2004.

- Using the new standard about 85 million Chinese are still in poverty rather than the official figure of 23 million. We should ensure people have basic education and health care.

- We will increase transfer payments, intensify the regulation of incomes through taxation, break business monopolies, create equal opportunities and overhaul income distribution practices with a view to gradually reversing the growing income disparity he told more than 2,200 delegates to the congress.

- however, equitable income distribution is an important indication of social equity, he said. He pledged that a reasonable and orderly pattern of income distribution will be put in place, with middle income people making up the majority, and absolute poverty will be basically eliminated.

- Per capita GDP to quadruple by 2020, congress told.

Strong words, signaling strong action, some already on the way.

Since the 11th CPC Congress in 1977 the rhythm has been a CPC congress every five, so the next congress will be in 2012. The CPC is at work all the time with the People's Assemblies being major fora for articulation. An enormous amount of debate and political work in an enormous country is needed to produce Hu's five hours speech.

In conclusion: what do we predict for 2016 or thereabout? Will the next turn be toward growth? Not necessarily, daoism does not limit a holon to a pendular move between one yin and one yang. The pendulum may oscillate along another contradiction fault-line even if growth vs distribution is sufficient to dynamize a country for centuries. Thus, in Western Europe high vs low class was to some extent superseded by men vs women, older vs younger, human vs nature.

Here are some contradictions not prominent in Hu's speech:

- \* nationalism vs class-ism
- \* "Chinese self-sufficiency in innovation" vs "opening up"
- \* isolation vs nonmilitary vs militarized foreign policy
- \* unitary state vs federalism vs confederalism

Communism was and is world-oriented like marxist economics is

world, not country economics, for "proletarians in all countries--". We hear little or nothing about that in Russia and Eastern Europe today but still some in China's Africa policy. That very resourceful innovative country may soon become more than the West; the contradiction may read "opening up to China". The dependency on outside resources may militarize their foreign policy, to protect sources of resources and transportation lines. And at the same time how to accommodate Taiwan-Tibet-Xinjiang-Inner Mongolia--except by the ingenious formula for Hong Kong-Macao--remains amajor contradiction. For sure those four listed will compete for the attention of the decision-makers and possibly lead to nationalism, a new closure at a higher level, militarized foreign policy and loosening up inside by 2016--with the opposites waiting.

As they say, <u>qui vivra, verra</u>. Who lives will see.

1. Johan Galtung, "Is there a Chinese strategy of development? A contribution to an everlasting debate", in: Review, V, 1982, 3, pp. 460-486. Also in Sung-Jo Park (ed.), The 21st century the Asian century? Berlin: Express, pp. 43-58. Also in Bernhard Glaeser (ed.), Learning from China? Development and Environment in Third World Countries, London: Allen & Unwin, 1987, pp. 32-55. Also in Asian Review, I, Bangkok, 1980, 4, pp. 1-20.

2. Maoism may be seen as an alliance between the poor or underprivileged at the top three levels--students-landless-workers-against the rulers-landlords-capitalists - and the merchants. Professors and other professionals were logically among the "rulers"; time to handle them came with the Cultural Revolution.

3. By the author (with an interpreter) while Visiting Professor at Sichuan University, Chengdu, in 1985.

4. See chapter on him in Galtung, J. and Inayatullah, S eds., Macrohistory and Macrohistorians, Westport CT: Praeger, 1997.

5. Beijing, October 15, 2007.

6. The 15th Congress of the CPC in 1997 promoted Deng Xiaoping Theory to key tenet of Party ideology, and the 16th Congress in 2002 elevated the "Three Represents" thought (representing "people's interests", and "advancing with the times") alongside Mao Zedong Thought and Deng Xiaoping Theory as key tenets of Party Ideology. 7. See Otto L. Bettmann, <u>The Good Old Days - They Were</u> <u>Terrible</u>, New York: Random House, 1974, for a very concrete image of social reality in 19th century USA, with everything related to health in a terrible state, reminiscent of the worst Third world countries. Hygiene and sewage in particular may have been more important than economic growth being more a question of political understanding and will than of funding.

8. As expected the Western approach to Hu's speech combined harsh critique with basic lack of understanding. From the editorials of <u>International Herald Tribune</u> 19, 20-21/10/2007:

- there is nothing scientific about development that is poisoning the air, contaminating the water and turning China's farmers into indentured servants.

<u>Comment</u>: that is precisely Hu's point, hence the need for anew development model, "scientific" and "Chinese". The quote reveals lack of understanding, even reading of the speech.

- no threat to "the party's role as the core of leadership in directing the overall situation".

<u>Comment</u>: correct, but then "party", like "communist", is not the same in China as in the West and in the Soviet Union.

- the delegates also understood that the vestiges of socialism have long since vanished from China under the Communists.

<u>Comment</u>: correct for the preceding growth periods and totally wrong for the coming period, reading the speech is recommended.

- no pesky trade unions to annoy the captains of industry.

<u>Comment</u>: depends on the meaning of primary-level democracy; China may be heading for Japanese style company general unions rather than national specialized unions.

- none of his promises can be kept without an independent judiciary, a free press and a genuine multiparty democracy.

<u>Comment</u>: remains to be seen. Hu emphasizes the rule of law, and there is much dissent expressed in the <u>People's Daily</u> and <u>China</u> <u>Daily</u>, maybe more than in the US corporate press. But a genuine multi[party democracy would be a good idea, for China as for the USA with its "two parties blending into one" democracy.

- what's extraordinary is that his country has failed to do anything about it (pollution, spending power, income inequality).

<u>Comment</u>: they started around 1980, made many corrections 1989-98, and now seem to be heading for basic change in development model. Historically this is amazingly quick, and there is no sign of such change in the USA, but actually to the contrary.

And then Howard French, "A 'harmonious society' hearing

different notes, <u>International Herald Tribune</u>, January 5-6, 2008:

- Certainly, no clear explanation has been given of the concept

<u>Comment</u>: wrong. Hu has been very explicit about the gaps he wants to close and very concrete in the measures to be employed

- what if people in other provinces seize upon the Xiamen affair as a precedent for solving their own local grievances - -

<u>Comment</u>: probably what is meant by primary level democracy. Read!

9. Thus, many Western countries are experiencing exactly the same as China: increasing gap between the top and the bottom, like top and bottom 10%. <u>Der Spiegel</u> reports recently (No. 51/2007) "how the scissors open". From 1992 the net income increased 31% for the former and decreased 13% for the latter; the average being 10%. The real opening of the gap was from 2000 onwards. And Germany has a coalition with some built-in contradiction, yet that speech is not forthcoming from Chancellor Angela Merkel.

Nor is it in the USA from President George Bush, nor from presidential candidates eagerly begging for campaign funding: "In 2005 the top one percent of earners gained 14% in income in real terms, while the rest of the country gained less than one percent", according to the <u>Wall Street Journal</u> journalist Robert Frank (who just released his book <u>Richistan</u> reporting about a class of super-rich with mega-yachts, private submarines and space hotels) in an interview with <u>The Observer</u>, July 22 2007.

10. Again, the counter-argument would be both-and. The present author is not worried about the daoist insight about dialectics as an essence of reality, but about readings of contradictions. There may be several interpretations and several ideas about what to do. Canons of science maybe unavailable for a clear answer. Counting votes may be unsatisfactory, particularly given how people can be bought and cajoled into voting, but the lesser evil.

11. For an analysis of corruption in China see Chaohua Wang ed., <u>One China, Many Paths</u>, London, New York: Verso, 2003, "Inequality and Corruption", pp.164-5. Like, "Thirdly, official campaigns against corruption are often no longer real threats to it, but other instruments of political leverage and blackmail for personal gain".

12. The <u>China Daily</u> editorial 16 October puts it this way: "The CPC's appeal for harmony is not for home consumption only. Hu's report was in a sense an official Chinese invitation for the world to work for and benefit from harmony. It was at the same time a Chinese declaration that we will be a world power of a new kind - one that is more open, and more amicable."

Adding: "The mainland side is ready to conduct exchanges,

dialogue, consultations and negotiations with any political party in Taiwan as long as it recognizes the one-China principle, he said." Maybe a Hong Kong type solution might one day be possible?

13. This may refer to the sexually explicit Western Internet culture, remote from present Chinese culture.