

At the Crossroads of Post-Communist Modernisation: Russia and China in Comparative Perspective

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“Modernity ends when words like progress, advance, development, emancipation, liberation, growth, accumulation, enlightenment, embetterment, avant-garde, lose their attraction and their function as guides to social action.”¹ By this definition, Russia and China are both still undertaking extensive modernisation – though by very different means. Why have Russia and China chosen such different paths for their post-communist transitions? How do their strategies differ, and how are they interrelated? When – at what junctures - were the crucial choices made?

The roots of catching-up strategies in Russia and China

The ideological roots of Russia’s present modernisation debates derive from the contentious term, the ‘Russian idea’. This term defines the relationship between Russia and the West, or rather, Russia’s difference from the West, beginning with ‘Russia’s Byzantine heritage’. After the collapse of Constantinople in the middle of the fifteenth century, Russia, under the leadership of Ivan III, adopted the role of the ‘Third Rome’, along with a suspicion of the Catholic, and later the Protestant, West. A new phase began with Peter, and the motivation was basically a defensive one. As it has been pointed out, when the Russians made this attempt to master Western manners and technology - as they have done so many times since - they did so in order to save themselves from being forcibly Westernised, though paradoxically in the process they had to Westernise themselves partially.²

From these events two significant trends of Russian political thought developed: *zapadnichestvo* and *slavianofil’stvo*. The former concept derives from the Russian word for the West, ‘zapad’. This ‘Westernism’ does not connote an emulation of Western political institutions or a Western-minded foreign policy. Rather, it compares Russia in the spirit of Enlightenment, developing toward a

¹ Göran Therborn, *European Modernity and Beyond. The Trajectory of European Societies 1945-2000*, London etc., Sage Publications 1995, p. 4.

² See Toynbee’s ‘Russia’s Byzantine Heritage’ in his *Civilisation on Trial*, London, New York, Toronto: Oxford University Press 1949, third edition, pp. 164-183, here especially p. 167. See also Dmitri Obolensky, ‘Russia’s Byzantine Heritage’, in Michael Cherniavsky (ed.), *The Structure of Russian History, Interpretive Essays*, New York, Random House 1970, pp. 3-28. See also Dimitri Strémooukhoff, ‘Moscow the Third Rome: Sources of the Doctrine’, in Cherniavsky, *op. cit.*, pp. 108-125.

conclusive universal end, to West European or Western modernisation. According to the spiritual father of *zapadnichestvo* in the early nineteenth century, P.Ya.Chaadaev, Russia had in no way participated in the development of humankind, and it had merely distorted everything that had been left over from the progress achieved elsewhere. In his much debated ‘Philosophical letters’, Chaadaev urged Russia to adopt Western thought and development, to abandon its old culture and traditions.³

Chaadaev’s ‘letters’ were a reaction to the political doctrine of nationalism. Articulated by S.S. Uvarov in 1832 and confirmed by Nikolai I, nationalism remained the official ideology until 1917. This ideology emphasised three elements: the orthodox religion, autocracy, and nationalism. Its essence was to keep Russia apart from West European liberal and socialist thought, to isolate Russia ideologically, though not economically or technologically.⁴

In his later unfinished essay ‘Apology of the madman’, Chaadaev advanced a more positive outlook. Only after adopting all the knowledge and education of the West could Russia fulfil her mission in the world, he argued. By learning faster than others and avoiding their mistakes, Russia’s delay could be turned to her advantage. Then the day would come when Russia would stand at the heart of Europe. Like many of today’s *zapadniks*, Chaadaev believed that the logical result of Russia’s long isolation would be its rise to the vanguard of countries destined to answer the most important questions facing humankind.⁵

Slavianofil'stvo, or slavophilism, emphasised the uniqueness of Russia and ‘Russianess,’ striving for social development within Russia’s own cultural traditions. In the same spirit as those ideologies in today’s Russia oppose the present line, the early slavophilism opposed the *zapadnik* linear historical philosophy of a single worldwide civilisation, instead proposing cultures as the basic units of world history. Like Chaadaev, A.S.Khomyakov, the most famous of the early nineteenth century slavophiles, emphasised Russia’s difference from the West, but not in terms of backwardness or underdevelopment. For Khomyakov, the spiritual and social uniqueness of the Russian people lay

³ P.Ya. Chaadaev, ‘Filosoficheskie pis'ma’, in A.F. Zamaleev (ed.), *Rossiia glazami russkogo. Chaadaev, Leontev, Solovev*, Sankt-Peterburg, Nauka 1991, pp. 19-138. See especially the first of the ‘Philosophical letters’, published first time in Russian in 1836.

⁴ S.V. Utechin, *Russian Political Thought. A Concise History*, New York, London, Fredrik A. Praeger Publisher 1963.

⁵ P.Ya. Chaadaev, ‘Apologiya sumashedshego’, reprinted in Boris Trasov, *Chaadaev* (Moskva: Molodaia gvardiia), pp. 558-573.

in their Orthodox faith in God, their community and conciliation within the Church.⁶ Most early slavophiles were educated landowners, humanists and lovers of freedom, with spiritual roots deep in the Russian soil. As would happen later in China under Mao Zedong's influence, these early Russian slavophiles considered the peasantry the eternal foundation of Russia, the guarantee of the country's distinct identity. The peasant spirit of community contrasted strongly with Western individualism.

Western economic modernisation, starting with the spread of capitalism, was delayed in Russia until after the reforms of the 1860s. Russian modernisation, unlike that of the West, was authoritarian and imperial, creating and preserving the military and bureaucratic complexes. The motivation for this model was geopolitical. Governance of the huge empire was thought to require authoritarian control. In this model of modernisation enforced from above, innovators were distanced from the people and entrepreneurs were not encouraged. Russian raw materials were exchanged for Western technological inventions that mainly benefited the bureaucratic and military sectors. Thus, although Russian capitalism developed basically independently on a national basis, its main features became dependence on raw material export, foreign capital (and foreign debt) and foreign technology. It was reliant on state orders and infrastructure projects, the heavy industry started with foreign capital. Domestic markets remained underdeveloped. Yet even within these limits Russia was rapidly catching up with the major western powers in terms of economic development.⁷

Like the Russian slavophiles, the Chinese imperial court “did not seem to think that Western industrialisation mattered much” until the end of the nineteenth century: Industrial power would be no match against the superior Chinese civilisation.⁸ But as the nineteenth century neared its close, the pressure to modernise became irresistible in China too. After the need to modernise was acknowledged, Chinese rulers, like their Russian counterparts, strove to isolate Western technology from Western values. Remarkable parallels exist between China's traditional attitudes toward the outside world and its post-1949 orientation under Communist rule.⁹ It was the unwavering belief in

⁶ See A.S. Khomyakov, *Izbrannye sochineniia*, New York, Izdatel'stvo imeni Chekhova 1955, especially pp. 79-101.

⁷ V.A.Krasiltshchikov, V.P.Gutnik, V.I.Kuznetsov, A.R.Belousov, A.N.Klepatsh, *Modernizatsiya: zarubezhny opyt i Rossiya*, Moskva, Rossiyski nezavisimy institut sotsialnykh i natsionalnykh problem 1994, here especially Ch. IV.

⁸ Suzanne Ogden, *China's Unresolved Issues: Politics, Development, and Culture*, Englewood Cliffs, NJ, Prentice Hall 1989, p. 21.

⁹ *Ibid.*

the superiority of China's ethical-political system, first of the imperial court, and later of the Communists under Mao Zedong, which inhibited China's modernisation.

The roots of Chinese modernisation lie in the 'Self-Strengthening Movement' (*Zi Qiang Yundong*) of the 1870s and the Qing court's attempt to reform in 1898. Chinese leaders were finally becoming aware that foreign influences could no longer be ignored. Western works were translated into Chinese; also numerous Japanese translations of Western subjects were published in Chinese. These reform movements drew their inspiration from the Japanese Meiji reforms, European industrial and military developments and American education. They directed the Chinese state toward modern industrialisation, military modernisation, scientific inquiry, and Western educational reform. Just as preserving its status as a great power has been essential to Russia's modernisation since Peter, the goal of most Chinese elites since the late nineteenth century has centered on nation-building. A strong state was – and still is – viewed as paramount for China, to keep out foreign aggressors and to regain its rightful place in the world as a modern power with dignity and respect.

The early 1900s were marked by political insecurity, humiliation, and intellectual self-scrutiny as foreign powers appeared ready to carve up China among them. Many educated Chinese, convinced that their country was about to be destroyed, studied every kind of political and organisational theory, and explored the possibilities offered by Western science.¹⁰ 'Science and Democracy' was the rallying cry of the burgeoning May Fourth Movement of 1919. Five years later, the father of modern China, Sun Yat-sen, produced a blueprint for a modern democratic state, a modern society, and a modern economy (*Sanmin zhuyi*). Sun had advocated political revolution to overthrow the Manchu emperor. He wanted to temporarily establish a new government by military law, and then adopt a government structure based on a constitution. Many disagreed with Sun's vision, arguing that the Chinese people were not ready for modernity, that an "enlightened autocracy" was required for an undefined period of tutelage.¹¹ As in Russia, authoritarian control was regarded as the only way to govern the huge Chinese empire. These two differing Chinese visions of political thinking and modern state-building have been conceptualised as 'transformative' and 'accommodative', to explain how Chinese Confucian leaders and elites over the ages have envisioned creating an unselfish society of high moral values.¹² These differing approaches, also called "two distinct

¹⁰ Jonathan Spence, *The Search for Modern China*, New York, W. W. Norton 1999, p. 271.

¹¹ Ramon H. Myers, 'The Nationalist State,' in David Shambaugh, ed. *The Modern Chinese State*, Cambridge, Cambridge University Press 2000, p. 45.

¹² *Ibid.* Myers refers to Thomas Metzger, *Escape to Predicament: Neo-Confucianism and China's Evolving Political Center*, New York, Columbia University Press 1977, pp. 178-190.

strands of Chinese statecraft – sweeping ‘totalism’ versus incremental pragmatism – later became manifest in the contrasting approaches of Mao Zedong and Deng Xiaoping.”¹³

But Sun Yat-sen was not a democrat in the Western sense. Sun did not envision a direct role in governance for the populace. In Sun’s view, the Chinese were free only in the sense that they were traditionally innocent of political obligation to the nation, reserving their true commitments and solidarity for family and lineage.¹⁴ Scholars remain divided in their interpretations of Sun’s writing. Some think Sun considered the individualism of the Chinese people as the central problem of nation building, despite their reputation for collective behaviour. For almost two thousand years, the network of centralised political authority in China ended at the seat of the county government. Chinese society was – and during the 1980s and 90s has, to a great extent, again become – a system of self-ruling families, lineages, professional groups, and villages. These self-ruling entities did not confront the central state authorities, which were only supposed to care for large-scale public works, local security, and external defence.¹⁵ Within this historical context, the success of the capitalist revolution of the Deng Xiaoping era (1979-1997), and the ability of the Chinese Communist Party to govern today, despite the defunct Marxist ideology, become more plausible.

The failure of European-style modernisation in imperial Russia led directly to Russian communism, or bolshevism. In a sense, it was a social reaction against too rapid and uncontrolled economic modernisation, which did not alter the political system. Totalitarianism in Russia was a “socio-political mutant”, born of the inability of Russian leaders “to face the challenges of modern times, to find the way of co-operation with huge masses that had lost their fixed social position”.¹⁶ When economic modernisation finally began, the lack of commensurate political modernisation distorted development. Western style social and political modernisation, which arose from civil society as a kind of ‘natural process,’ was lacking in Russia. The political elite tried to compensate for this lack by guiding the modernisation process.¹⁷

Efforts to isolate Russia ideologically failed. While the conservative strand of *zapadnik* thought approximated official Russian ideology, late nineteenth century liberal *zapadnik* ideas provided the

¹³ David Shambaugh, ‘Introduction,’ in Shambaugh, ed., *op. cit.*, p. 45.

¹⁴ See for ex. David Strand, ‘Community, Society, and History in Sun Yat-sen’s *Sanmin Zhuyi*,’ in Theodore Hutters, R. Bin Wong, and Pauline Yu, eds., *Culture and State in Chinese History*, Stanford, Stanford University Press 1997, pp. 326-338.

¹⁵ Marie-Luise Näth, ‘From Doctrine to Ethics, in Carl Linden and Jan S. Prybyla, eds., *Russia and China On the Eve of a New Millennium*, New Brunswick, NJ, Transaction Publishers 1997, p. 151.

¹⁶ G.A.Belov, *Politologiya. Kurs lektsiy*, Moscow, Chero 1996 p. 153.

roots of revolutionary movements in Russia. This leftist movement drew explicitly on West European political radicalism, French socialist ideas and later, Marxism. Originally, the leftist *narodniks*, like the earlier slavophiles, believed in ‘the Russian people’. To the disappointment of the *narodniks* the Russian peasantry did not live up to expectations, having no interest in revolution. So the revolutionary intelligentsia turned to itself, placing the destiny of Russia on its own heroic shoulders. But the revolt petered out, limited to acts of terrorism by small outlaw groups. Marxism offered a way out of this intellectual and spiritual deadlock, though it abandoned an agrarian worldview, instead adopting the idea of a developing proletariat as the social basis and power of the revolution.

Russian socialists faced a moral dilemma: how to welcome capitalism, and the emergence of the proletarian class in capitalist industrialisation, while opposing the evil it represented? This was the dilemma bolshevism solved. Lenin emphasised the feasibility of socialist revolution in Russia before society as a whole had reached the capitalist phase of development. Instead of a real proletariat class, as a social basis for revolution, he created the idea, the illusion, of a revolutionary class.¹⁸

In China, communism was also a reaction to the pressure of Western modernisation, though in a different sense. Communism took hold because Chinese tradition was an obstacle for China’s effective modernisation, or as a response to Western gunboats. Some historians believe that “the requirements of modernisation ran counter to the priorities of Confucian social and political order.”¹⁹ In the face of internal rebellions and numerous defeats by foreign powers, those tenets hindered the Chinese from acquiring a broader vision of how to rule effectively. Tradition had to be rejected by revolution. The 1911 revolution overthrew the Qing emperor, but failed to provide a viable political alternative. After decades of warfare – internal rebellions, civil war and the war against Japan – the Communists succeeded in presenting a genuine revolutionary alternative. They rose to power in 1949 with the support of the peasants.

¹⁷ V.A.Krasiltshchikov et al., *op. cit.*, Ch. IV.

¹⁸ Nicolas Berdiaev, *The Origins of Russian Communism*, Ann Arbor, The University of Michigan Press 1972, first printed in Russian in 1937. See also Nikolai Berdiaev, *The Russian Idea*, Hudson, NY, Lindisfarne Press 1992; Tim McDaniel, *The Agony of the Russian Idea*, Princeton, New Jersey, Princeton University Press 1996.

¹⁹ H. Lyman Miller, ‘The Late Imperial Chinese State,’ in Shambaugh, ed., *op. cit.*, p. 39.

Communist modernisation: construction and illusion

Both the People's Republic of China and the Soviet Union were modernisation projects, or perhaps postmodernist. Often, almost overnight, they created illusions to legitimise utopian policies. They manufactured these illusions - extreme versions of a belief in progress - based on the Marxist idea of an inevitable, objective and inescapable process. For many Russians and Chinese looking to the West as a point of comparison, these illusions filled the vacuum of pessimism. The Marxist version of modernisation based on a succession of different socio-economic phases - feudalism, capitalism, socialism, and communism – seemed to lead inevitably towards the final end.

Though the socialist revolution was supposed to begin in Russia, not even Lenin thought that Russia by itself could build socialism. The country had scarcely achieved the capitalist phase of development. World revolution, or revolutions in at least some of the more developed countries, would be necessary to help build socialism in Russia. Stalin turned the idea the other way round; it was the Soviet Union who became the basis of world revolution. In domestic politics, his socialism-in-one-country theory, first posited in 1924, emphasised the possibility of building the ideal society without years or decades of delay. In terms of world revolution, supporting it became tantamount to supporting the Soviet Union without conditions.²⁰

Critics of Stalin's opportunistic concept claimed that socialism would conquer capitalism only if productivity and living standards became higher under socialism. Since the Soviet Union was not capable of building socialism without outside help, the revolution would fail and capitalism would return to Russia. But Stalin claimed that industrialisation led by the proletarian government, utilising Russia's huge territory and natural resources, would make it possible to organise a socialist economic system. Stalin prevailed. In 1930, firmly in power, he declared that the Soviet Union had achieved the socialist phase of development.

In China, during the first decade of the People's Republic, the Soviet experience influenced policy-making. The existence of not only the goals but the means as well – the Soviet model – was crucial to the initial success of the Communist initiatives in China.²¹ Elderly Chinese today remember the call in the early 1950s to be “Modern and Soviet.” Subsequently, the Chinese Communist Party

²⁰ E.H. Carr, *Socialism in one country 1924-1926. Volume III*, London, MacMillan & Co Ltd 1964.

²¹ Another important factor was the unity of the leadership. In contrast to the purges in the Soviet Union, the Chinese Communists remained united until the mid-1960s.

shifted its focus from the countryside to the cities. China's industrialisation was heavily dependent on Soviet aid, advice and technology. The 156 large capital-intensive industrial projects of the first five-year plan (1953-1957), built with Soviet assistance, accounted for nearly half of all industrial investment.

Mao Zedong set about building a new government according to the ideas expressed in *New Democracy (1940)*, his major theoretical work, in which he adapted Marxism-Leninism to the Chinese situation during the transition from semicolonialism and semifeudalism to socialism. The classical Marxist pattern of societal development from feudalism to capitalism to socialism did not apply in China, for the stage of capitalism did not properly exist there.²² In fact, the idea that feudalist countries could leap over the capitalist phase of development with the assistance of existing socialism was already envisioned by Lenin. This was basically also how Mongolia and less-developed areas of the Soviet Union were supposed to have reached socialism. In the 1960s this approach was applied to Third World countries, labelled a 'non-capitalist way of development' and later 'the path of socialist orientation.' Mao adapted this thought to Chinese conditions.

Although the goal of catching up with the West characterised the Soviet Union's modernisation, its relations with the West passed through different stages. Each of these stages implied a different role for the West to play in the Soviet Union's modernisation. Before the Second World War, Stalin strove to establish trade relations with the West. In the early Cold War era, Stalin's policy became more isolationist, minimising the ideological and economic influences of the outside world. Khrushchev's 'peaceful coexistence' was based on the overoptimistic idea that the power of the Soviet Union was inevitably increasing, had already surpassed Western Europe by the early 1960s and would soon overtake the United States. In this self-confident, if illusory, spirit, Soviet leaders believed that Soviet world influence would flourish in a context of interdependence and co-operation. Under conditions of peaceful competition, rather than war, the Soviet Union could show everyone the superiority of its system.

In China too, an almost utopian optimism marked the Communist Party's frenzied attempts to speed up the pace of industrialisation in the late 1950s. Peasants were included in Mao's definition of the 'revolutionary masses,' but it was the industrial workers who made substantial gains in lifetime security, generous welfare benefits and a rise in social status. Mao's decision to discard Soviet-style

²² Immanuel Hsü, *The Rise of Modern China*, New York, Oxford University Press 1995, p. 651.

policies was in part grounded in the realisation that conditions in China were not comparable with those of the Soviet Union. China's huge impoverished peasantry could not shoulder the burden of financing investment for heavy industry. In early 1958, he launched the Great Leap Forward; a program based on mass mobilisation that forced nearly every citizen to participate in industrial production. Within six months, some 600,000 furnaces had sprung up all over the country. Mao talked about catching up with or even surpassing the British industrial capacity in fifteen years. Some Chinese parents named their newborn children 'Surpass Britain'. In reality, the Great Leap Forward produced economic disaster, resulting in 20 to 40 million deaths by starvation.

The Great Leap Forward turned out to be just one of the first steps – albeit a catastrophic one – in Mao's creation of a grand illusion. In pushing through collectivisation and the establishment of People's Communes, Mao is said to have been influenced by the late Qing reformer Kang Yu-wei, who argued for the creation of a utopia with no private property, private ownership, sale of land, or private industry; but with public hospitals, public education, public welfare, and public homes for the aged. Fundamental features of this utopia would be the destruction of the family and the emancipation of women. Mao called for the birth of a new Socialist Man, who would have no regard for face and put the state before family. His division of the population into mass organisations, and his continuous mass campaigns marked by intense indoctrination sessions, aimed to transform the Chinese people, once described as a loose pile of sand, into a population more tightly-organised than any other in the world.²³

In the Soviet Union, Khrushchev realised that the system needed changes in order to keep its promises. He tried to accelerate the modernisation process by reorganising agriculture, increasing emphasis on consumer goods and social benefits, improving housing, and putting science and technology in service to economic development. He tried to reorganise the bureaucracy and the Gosplan system that he saw hindering the economy.²⁴ But Khrushchev failed internationally and domestically. The currency deficit severely limited the Soviet Union's economic co-operation with the Western countries, and politically Khrushchev's strategy of peaceful co-existence was rightfully met with suspicion in the West. At home, the nomenclature and bureaucracy resisted Khrushchev's reforms and finally replaced him. His administrative reforms were largely cancelled.

²³ Hsü, *op. cit.*, p. 657-658.

²⁴ Manuel Castells, *End of Millennium, The Information Age: Economy, Society and Culture, Volume III*, Blackwell Publishers Inc., Malden, Massachusetts, USA and Oxford, UK 1999, Chapter 1.

Gradually and reluctantly, during the Brezhnev and Kosygin years, the Soviet Union reassessed its own economic and technological modernisation process. Soviet leaders realized the country required closer co-operation with the West for its own survival. Oil and gas exports to Western Europe resolved partially the currency problem, and with that currency the Soviet Union bought available technology from the West. In the eighth five-year plan of the Soviet Union (1966-70), Western technology played an important role. In the next five-year plan the role of Western technology was enlarged further. Besides importing machinery and factories from the West, the Soviets made efforts to conclude scientific-educational co-operative agreements.²⁵ The KGB secretly procured advanced Western technology for military use. The Soviet Union's scientific and technological development suffered under the pressure of falling further behind. Motivated by the need to preserve the balance of power with the USA, it was regarded as safer to buy, steal and copy the Western technology than to rely on the Soviet Union's own intellectual resources.²⁶

Nor was the economic system open to innovation. In the late 1960s, Kosygin tried to modernise the Russian economic system by giving more freedom to enterprises and experimenting with a new price reward system. The aim was to utilise selected market economy instruments within a command economy system, reforms bound to fail without free markets. Enterprises that took the greater freedom seriously were consequently punished the following year with higher production quotas required by the Gosplan. From the early 1970s until the aborted Andropov reform in 1982, no efforts were made to break the deadlock of systemic inertia. Yet the Soviet economy was still growing in 1970. It did not stagnate until 1975.²⁷

In terms of Soviet social modernisation, the Khrushchev period – the ‘thaw’ – was naturally freer compared to the repressive totalitarian Stalinist political system. But this ‘liberalisation’ did not increase the general level of political activity. It merely intensified the internal struggle of Russian nomenclature and strengthened certain local interest groups within the party elite. This state of affairs continued during the Brezhnev era, until the beginning of Gorbachev's reforms in the mid-1980s. While surely an era of political and economic stagnation, the “1970s were a period of major social and socio-psychological shifts” with far-reaching consequences in terms of modernisation. The essence of these changes was that “an industrial society was definitely formed” in the country,

²⁵ John P. Hardt & Ronda A. Bresnick, ‘Brezhnev's European Economic Policy’, in G. Ginsburg & A. Z. Rubinstein, eds., *Soviet Foreign Policy Toward Western Europe*, New York, Praeger 1978, pp. 200-232.

²⁶ Castells, *op. cit.*, Ch. 1.

²⁷ *Ibid.*

“the process of urbanisation was completed and a new generation grew up, shaped by the conditions of Europeanized city life.”²⁸

As a whole, Soviet development proved to be unbalanced, in many ways merely continuing the imperial model. The Soviet Union’s dependence on the export of raw materials and the import of Western technology, as well as the need to preserve the military balance of power, led to a structural crisis in the economy. “The military-industrial sector operated as a black hole in the Soviet economy, absorbing most of the creative energy of society and making it disappear in an abyss of invisible inertia.”²⁹ The roots of this structural crisis lay deep within the souls of individuals suppressed by totalitarianism, in the absence of impulses from below, in a society governed from above. Forced modernisation might be appropriate for the great leap of industrialisation, but not for the challenges of late modernity. The incapacity to develop science and technology showed that the forced modernisation model was bankrupt. Mere large investments, had such been available, were not enough. New technology and production modes presupposed a less bureaucratic, more democratic political system.

In China, the Great Proletarian Cultural Revolution (1966-1976) was Mao’s desperate attempt to cling to his position as supreme leader and eliminate colleagues who favoured a more realistic economic reform program. It was also a sign of Mao’s “restless quest for revolutionary purity in a post revolutionary age.”³⁰ It was yet again a way to divert the Chinese people’s attention by mass mobilisation from the reality of Western supremacy in living standards and technological development, and from acknowledging the failure of previous policies to narrow the gap in the promised timeframe.

The Cultural Revolution precipitated a decade of frenzied political activism, political indoctrination, class struggle and the militarisation of Chinese politics. The danger of a Sino-Soviet war, following the Sino-Soviet split in 1960, of which the population was reminded at regular intervals, provided useful fodder for Maoist efforts to justify China’s isolation. China was brought to the brink of civil war, and shut off from the rest of the world.

²⁸ Boris Kagarlitsky, *The Dialectics of Change*, London, New York, Verso 1990, p. 284.

²⁹ Castells, *op. cit.*, p. 22.

³⁰ Harry Harding, ‘The Chinese State in Crisis, 1966-9,’ in Roderick MacFarquhar, *The Politics of China*,

Two post-Communist models: transforming the economic and political systems

The Maoist illusion disintegrated long before Mao passed away in 1976; with his death it was buried irreversibly. Deng Xiaoping's ascension to power in the latter part of the 1970s dramatically changed China's course. Ideology was replaced with pragmatism, political correctness with ability and know-how. Not exactly overnight, but within a few short years, innovation and entrepreneurship became acceptable, sought-after qualities. "It does not matter whether the cat is black or white, as long as it catches mice." Chinese Communist Party members still refer to Deng's remark to justify their pursuit of wealth by capitalistic means. Yet again, the populace was admonished to rally around the goal of making China strong and powerful, to make it the equal of the Western countries. But this time the citizenry was spurred by rising living standards and personal gain.

After the establishment of diplomatic ties with Washington (1979), Deng actively proceeded to integrate China into the world economy. Foreign investment was sought and foreign experts welcomed. In the 1980s alone tens of thousands of Chinese students were permitted to go to the West to pursue degrees. At the Twelfth Communist Party Congress in September 1982, less than three years after the pivotal Party Plenum decision to pursue the open door policy and economic reform (*gaige kaifeng*), Deng Xiaoping declared that the Party's main task for the remainder of the decade was "to intensify the socialist modernisation [with] economic reconstruction at the core."³¹

Deng not only flung open the country's doors to the West. He appealed to all Chinese compatriots to put aside ideological differences and participate in his modernisation program of the motherland. It was a direct revocation of Mao's famous "there is no third way"-policy, according to which all Chinese "must lean either to the side of imperialism or to the side of socialism."³² Up to 75 percent of all 'foreign' investments in China between 1979 and 1994 had 'Chinese roots.' Investment by Overseas Chinese, and the know-how of Hongkongese, Taiwanese and ethnically Chinese Thai, Indonesian, Malaysian, American, Canadian, and Australian businessmen, constituted a crucial difference between Gorbachev's and Deng's reform movements. When he launched *perestroika*,

Cambridge, Cambridge University Press 1997, p. 148.

³¹ Deng Xiaoping's speech is translated in BBC, Summary of World Broadcasts/Far East 7120 (September 1982).

³² Hsü, *op. cit.*, p. 661.

Gorbachev could not turn to tens of millions of Overseas Russians, as Deng turned to the massive Chinese diaspora. More than 50 million Overseas Chinese live in Asia alone. Overseas Chinese felt no calling whatsoever to Communism. In fact, many of them had fled mainland China when the communists won the civil war. But devotion to one's roots, the birthplace of one's ancestors (*laojia*), is quintessentially ingrained in Chinese culture. Besides providing a new range of hitherto unexplored business opportunities, Deng's open-door policy made it possible for millions of Overseas Chinese to fulfil their dream of visiting and paying tribute to their ancestral homes. It is impossible to estimate the monetary value of the donations made by Overseas Chinese during the past two decades. The Chinese landscape is dotted with hospitals, schools, libraries, and research centres built with Overseas Chinese money.³³

In the Soviet Union, Andropov's unfinished reform after Brezhnev's death in 1982, as well as Gorbachev's reform from 1985 onward, were first conscious efforts to deal with that country's systemic crisis after the half-hearted and unrealistic Kosygin reforms that faded out by the beginning of the 1970s. Andropov wanted to modernise and intensify the economic system while leaving the political system untouched, an approach many Russian politicians and scholars refer to as the 'missed possibility of the Chinese way' in Russia. Gorbachev's approach was more ambitious, but badly organised, based on ad hoc improvisation. However, as is usual during revolutionary times in Russia, Gorbachev's era was the heyday of new political phraseology that seemed to imply a more concentrated approach. The discursive components of this reform were *perestroika*, the general reconstruction of the system; *glaznost*, an instrument of constructive criticism of the system; *uskorenie*, a technocratic acceleration of the economy; *novaya politicheskaya myshleniya*, a more cooperative foreign policy line; and *sotsialisticheskaya demokratiya*, i.e., humanising the communist political system under the slogan of 'not less but more socialism.'

But this project's goals did not conform to the rules of the system within which the goals were to be achieved. *Perestroika* intended to liberalise the political system while preserving the hegemony of the Communist Party, and to modernise the economy while preserving the command system. Within these strictures, the nomenclature had no cohesive strategy for national development. The political elite soon divided into four main factions - orthodox Marxists, Gorbachevian centrists, more radical 'democrats', and right-wing nationalists - each with a different view of how to

³³ Linda Jakobson, *A Million Truths. A Decade in China*, New York, M. Evans 1998, pp. 238-239.

proceed. In the end, after August 1991, the ‘democrats’ won the battle, establishing a new Russian Federation after the collapse of the Soviet Union as a geopolitical entity.

The ‘democratic’ movement in the Soviet Union in the late 1980s and early 1990s emphasised Western-style democracy and a market economy as its ultimate goals. A similar movement failed in China in 1989. But in the Soviet Union the ‘democratic forces’ that overthrew the CPSU had grown from within the nomenclature itself, not from grass-roots level movements. Although what happened in the Soviet Union has been described as ‘the perestroika from below’, by the end of *perestroika* the political and economic elite had concluded that their own well-being and Russia’s modernisation would best be served within a capitalist, and perhaps, a democratic system. This part of the nomenclature was willing to get rid of the CPSU, because it failed to adopt a cohesive modernisation strategy. Regional elites also had an important role in the process of dismantling the party structures. The coup d’état in August 1991 proved that the CPSU could not serve as the vehicle of fundamental social change.

On the other hand, in the China of the late 1980s, the demonstrating students at Tiananmen Square and their intellectual supporters, as well as reform-minded groups within the bureaucracy, while advocating political reform, still believed that change from *within* the Communist Party was the right recipe for restructuring the Chinese political system. This cautious approach is understandable. The vast majority of Chinese felt that China was on the right track as far as economic modernisation was concerned. In addition, the havoc of the Cultural Revolution was still vivid in everyone’s memory. Neither the reformist bureaucrats nor the majority of the intellectual community wanted to risk *luan* – chaos. Analysts often cite this fear of chaos as an essential component of the traditional Chinese worldview. China’s history abounds with periods of rebellion, civil war and instability. Those in power are naturally inclined to reinforce the view that strong government and stability go hand in hand. They point to examples from history: when the empire has been united and stable, Chinese civilization has flourished; when China has disintegrated into several parts, chaos and stagnation has prevailed.³⁴

³⁴ This standard view is not founded in fact. For example, the Song (960-1279) was a weak dynasty, in terms of political control, but it “was the highpoint of intellectual and economic achievement, the pinnacle of China’s artistic history.”

Two roads towards capitalism and market economy

The so-called IMF orthodoxy, formulated in the late 1980s for the transition from state-centred to market economies, suggested four basic policies: monetary stabilisation in terms of controlling money supply and thus inflation (instead of, for example, creating jobs or maintaining production); liberalisation of prices, entrepreneurship and foreign trade; privatisation of state-owned companies; and structural changes to enable efficiency and competitiveness.³⁵ While most Eastern European countries applied this model more or less successfully, the former Soviet Union (excluding the Baltic States) appears in many perspectives to have failed. China followed its own unique path, and is regarded, at least economically, as successful.

The Soviet Union's/Russia's and China's approaches look very different. In the steps towards a market economy during *perestroika* in the Soviet Union, privatising the state sector was not a top priority. Rather, *perestroika's* goal was to improve the performance of the stagnant state sector. Encouraging private entrepreneurship was a second-hand by-product of the reforms. And when a limited privatisation programme was accepted, the Soviet model turned out to be a top-down privatisation based on – as it has been called – a ‘formal-legal’ approach, the opposite of the Chinese ‘pragmatic-entrepreneurial’ approach, which allowed a considerable open and public grass-root development of the private sector. While in China the practice of privatising was followed by official legislative acts, in the Soviet Union laws typically preceded the emergence of similar movements.³⁶

The comparative sizes of the socialist welfare states explains why no wide-spread grass-roots movement for privatisation and market reforms existed in the Soviet Union, as it did in China. Soviet citizens simply had too much to lose by risking their socialist welfare security. In China the benefits for the majority of the people, i.e. for the peasantry, were minor compared to the potential benefits of the reforms. In China, only 18,9 percent of the population were classified as urban in 1979. Only 24,6 percent of the labour force worked in the non-agricultural sector. In Russia, two-thirds of the population (65,7 percent) were urban residents in 1986, with 81 percent of the population employed in the non-agricultural sector. Preconditions for privatisation and market

Diana Lary, ‘Regions and Nation: The Present Situation in China in Historical Context,’ *Pacific Affairs* 70 (Summer 1997), p. 181.

³⁵ Pekka Sutela, *The Road to the Russian Market Economy, Selected Essays, 1993-1998*, Helsinki, Kikimora Publications 1998, pp. 23-39.

reforms that China created during the reform period - most notably fiscal decentralisation, lifting restrictions on foreign investments and foreign trade of the domestic private sector, and partial price reform - were absent in the Soviet Union. Instead of the major reforms that were implemented in China relatively quietly, in the Soviet Union market reforms and privatisation were subjects of public debate and political struggle among proponents, opponents and those who tried to balance between the new and the old systems.³⁷

Soviet privatisation began in 1986 with a modest effort to legalise part of the shadow economy, especially the service sector, and was limited to those persons outside the productive state sector, such as pensioners or students. In a later phase of *perestroika*, the focus shifted to the cooperatives. In spite of bureaucratic restrictions connected to their legal functioning, cooperatives grew rapidly. By early 1990 they produced almost six per cent of the GNP and employed more than 5 million people. Another measure was to legalise kinds of semiprivate firms through leasing of state companies. In 1990 a proposal that anticipated full-scale privatisation, was opposed by more conservative plans, limiting reforms to the service sector. On the eve of the attempted coup, in August 1991, Gorbachev made an alliance with the liberals, or 'democrats', who already had adopted laws on privatisation in the republic-level parliaments, to put forward a Soviet-level law on the basic principles of large-scale privatisation. For the first time, privatisation was made a main element of reforms. These efforts remained unfinished, however, before the Soviet Union collapsed.³⁸

The private sector developed most rapidly in the non-Russian regions and republics of the Soviet Union. By 1991 more than 75 per cent of joint stock companies and 80 per cent of private farms were in the Baltic republics. Local government officials were most negative towards the development of the private sector in the Russian Federation and in Central Asia. Besides uncooperative or hostile local authorities, organised crime and negative public attitudes threatened development of the private sector. Genuinely private firms constituted only a minor part of the sector that during *perestroika* was considered private. Most were connected to state enterprises one way or another. Rural privatisation never got started in the Soviet Union, unlike China. The land leasing programme introduced by Gorbachev was heavily resisted both by the lower-level

³⁶ Minxin Pei, *From Reform to Revolution. The Demise of Communism in China and the Soviet Union*, Cambridge, Massachusetts, and London, England, Harvard University Press 1994, pp. 118-149.

³⁷ *Ibid.*

³⁸ *Ibid.*

bureaucrats as well as the collective farms' workers at the grass-root level.³⁹ Basically, this situation continues even in today's Russia.

In China, a 'capitalist revolution' from below broke out in the 1980s, and 'it destroyed orthodox Communist rule.' This 'societal revolution', as it has also been called, relied on societal forces through the market, not on the state, and resulted in important institutional-structural changes. The growth of the market in the 1980s has also been called a 'silent revolution,' implying that Maoist hardliners in the top communist party leadership were unaware of it before it was too late to curb. China's economy transformed from state-dominated to increasingly market-oriented. China doubled its GNP, internationalised its economy and experienced rapid industrialisation. In 1989, according to official statistics, the state sector contributed only 56 percent of gross industrial output. After just one decade of reform China had nearly undone the legacies of state-socialist development of the previous twenty years.⁴⁰

Deng's revolution took place in the countryside, as had Mao's. Mao's revolution has been described as having two "marching legs": agrarianism and nationalism.⁴¹ The same can be said of Deng's revolution. In both cases it is fair to state that the peasantry had little or nothing to lose and was willing to take risks for a fresh start. Politically, the rural population had become alienated from the Chinese Communist Party that had long ago risen to power thanks to peasant support, but now had transformed into an urban political establishment. During the 1980s, when the so-called Chinese economic miracle took off, the Chinese socialist welfare state covered only about 22 percent of the total labour force. Though official statistics show that urbanites earn on average twice the annual income of country residents, in reality, the gap is much wider. The real urban-rural difference is estimated to be on a ratio of four to one.⁴² The Maoist welfare state had not spread its tentacles to the countryside. Peasants were excluded from socialist welfare programs, which consisted of food subsidies, free health care, guaranteed employment, and income security. While industrial workers were, and to a degree still are, dependent on the state, the peasants retained a high degree of independence from the state. Another strength of the peasantry is its historically and culturally ingrained entrepreneurship.⁴³

³⁹ *Ibid.*

⁴⁰ Pei, *op. cit.*, pp. 43-44, 71.

⁴¹ Castells, *op. cit.*, p. 303.

⁴² Qingfang Zhu, 'The Rural-Urban Gap and Social Problems in the Countryside,' *Chinese Law and Government* 28, Jan.-Feb. 1995.

The growth of market forces led to an informal coalition of the peasantry, private entrepreneurs, local rural elites and foreign, especially Overseas Chinese investors, which in turn spurred the development of the private sector. By the early 1990s, China's private and quasi-private sectors had taken over the state-controlled sector. These sectors controlled about 60 % of China's market for consumer goods by late 1990. Economic self-interest was the driving force. The private sector made no open demands on the regime.

By the time of the collapse of the Soviet Union, China had surpassed its 'Soviet big brother' in terms of economic reforms. In the Russian Federation the goal of large-scale privatisation, adopted in mid-1991, was put into practice after the collapse of the Soviet Union. The necessary legislation was gradually created. Compared to the Eastern Europe, Russian privatisation could be called a failure. A poorly regulated process, producing inefficient ownership structures, newly privatised state property passed into the hands of those already in power. In practise, the Russian process became a choice between, and sometimes a mix of, two basic models. While legislation enabled a mass privatisation program in terms of vouchers or privatisation cheques, a more successful approach proved to be what is called *nomenclature* or spontaneous privatisation. This phenomenon was already present in the Soviet Union, especially from late 1990 onward: "Managerial elites of SOEs [state-owned enterprises] were the driving force behind this movement, and they persuaded employees to go along by promising various benefits. Some SOEs were converted into joint stock companies, with employees receiving a minority stake in the form of shares, and the management usually controlling a majority stake."⁴⁴

The new Russia continued a trend of privatisation similar to that begun in the Soviet Union. Those in high positions, in enterprises or administration, "transfer the property of state companies to themselves or their own firms."⁴⁵ Russian privatisation has resulted in a much larger scale of insider control than in most other transition countries. While some economists see this development as natural, and even beneficial for the Russian economy, most agree that it will reinforce "state intervention, corporatism, favouritism, corruption, paternalism and protectionism."⁴⁶

⁴³ Pei, *op. cit.*, p. 56.

⁴⁴ Pei, *op. cit.*, p. 129.

⁴⁵ Sutela, *op. cit.*, p. 129

⁴⁶ *Ibid.*, p. 158

An ownership structure that is by nature antagonistic to structural changes and further market reforms, does not welcome domestic or foreign investments to the existing enterprises. This factor may be crucial for Russia's effective modernisation. The inherited physical production capacity in Russia is not very valuable, even if it could be used maximally. It is in bad shape and based on technology that will soon be outdated. For these reasons, in "Russia, even more than in most other economies, investment is an absolute necessity for growth."⁴⁷

Russia's GNP and industrial output decreased through most of the 1990s. The most dramatic decline took place in 1994, when GNP decreased by 12.6 per cent and industrial production fell 20.9 per cent. By 1997 the decline was turned to a modest GNP increase of 0.8 per cent. But the next year's financial and economic crisis pushed GNP again downward 4.6 per cent. New growth began in 1999 and, in 2000, reached a growth rate of 7.7 per cent in GNP and 9.7 per cent in industrial production.⁴⁸ The main reasons for this relative positive development are the 1998 devaluation, and to a lesser extent, high energy prices in the world market.

In the longer term, the key question is whether or not Russia will have greater success with technological modernisation than the Soviet Union. Russia's Research & Development (R&D) and technology-based competitiveness are clearly well behind those of the developed countries. During the 1990s, funding for R&D decreased dramatically, both in absolute terms and in terms of its GNP share. In 1991 R&D funding was 1,43 per cent of the GNP. In the next few years R&D funding dropped more than fifty per cent before it began to grow again, up to 0,99 percent of GNP in 1998. The number of people active in R&D decreased by 47,5 percent between 1991 and 1998, with a continuing 4 to 6 percent decrease annually. Calculated from total production capacity, the high-tech share was only 5 per cent in 1998.⁴⁹ In terms of high technology products as a percentage of total exports, according to World Bank statistics, for instance, Finland's high-tech exports in 1996 were 23 per cent of its total, China's 21, the United States' 44, Pakistan's and Kamerun's 3.⁵⁰ The high-tech share of Russia's exports, based primarily on oil, gas and other raw materials, was not even calculated.

⁴⁷ *Ibid.*, p. 253.

⁴⁸ The figures are from the Bank of Finland's Institute of Economies in Transition website (monthly review) www.bof.fi; the 2000 figures are preliminary estimations.

⁴⁹ *Proizvodstvo i tovarnyje rynki. Nauka i innovatsii* 1998; see <http://besta.rbc.ru/gks/g/g121998/231.htm>

⁵⁰ *World Development Report: Knowledge for Development*, published for the World Bank, Oxford University Press 1998/99, pp. 226, 227.

Russian reforms have not improved the living standards of the Russian people. With 30 percent of its population living below the official poverty line, Russia is, according to World Bank data, among the less developed countries.⁵¹ The average life span of Russians is 5-10 years shorter than in most Western countries. Within ten years, the cumulative drop in life expectancy for men has been 6.3 years and for women 3.2 years. The decline in the average life expectancy for men is particularly dramatic. In Karelia, a Russian republic near Finland, for example, the average life expectancy of the male population fell from 63,8 years in 1990 to 57,3 years in 1999. The reasons are weak health status, poor nutrition and unhealthy lifestyles, combined with the transition-related stress and anxiety, which especially impacted male life expectancy.⁵²

In China too, the process of privatising state property led to the carving up of state assets by the political elite, gaining momentum in the 1990s. According to one assessment, it was a “process in which power-holders and their hangers-on plundered public wealth.”⁵³ Nevertheless, in China the more important revolution occurred the bottom up. Peasants took the lead in disbanding the communes and setting up the household-responsibility system. Each household was allocated a small plot of land (though official ownership rights remained with the state), on which the farmers could grow what they wished and sell the produce on the free market, as long as they provided the state a certain quota of grain at under-market prices. Motivated by the chance to earn money, agricultural production soared. The average annual income for rural workers doubled between 1980 and 1985. Family members, groups of families, and increasingly, whole villages, joined together to start workshops and small factories. This process sparked a boom in light industry, the mainstay of the capitalist revolution.

In the Soviet Union and in Russia economic reforms were often limited to programs that never were implemented. But in China, though Chinese authorities gradually accepted the spontaneous development from below, the leadership “never explicitly endorsed nor actively pursued a comprehensive and consistent program of transforming China’s planned economy into a full market economy.” Interestingly, neither of the two key documents adopted in January 1979 mention decollectivization as a government policy.⁵⁴ The spontaneous, initially unauthorised, efforts of the

⁵¹ *Ibid.*, pp. 196, 197.

⁵² *Socialno-ekonomicheskije polozenie respublik i oblastei Severo-Zapadnogo federalnogo okruga. Statisticheskij sbornik*, Syktyvkar, Goskomstat Rossijskoi Federazii 2000, pp 36-39.

⁵³ Liu Binyan and Perry Link, ‘A Great Leap Backward,’ *The New York Review of Books*, October 8, 1998, p. 19, citing economist He Qinglian’s book *Zhongguo de xianjing* (China’s Pitfall), Hongkong, Mingjing Chubanshe 1998.

⁵⁴ Pei, *op. cit.*, pp. 43, 95-97.

peasants, first in Anhui province, and rapidly across the nation, have been well documented.⁵⁵ Nor did the government initiate a deliberate program of privatisation. On the contrary, many government policies discriminated – and still do – against the private sector. Only in 1988 did the State Council legalise private firms in general (though the urban private sector was given legal status in 1981).

The private sector was aided by certain government policies, such as fiscal decentralization, limited price-reforms and opening to the West. Local and provincial governments, whose support Deng Xiaoping had solicited at the outset of reform, were major players in the process of privatisation. The new capitalist class that has emerged in China consists mainly of ‘bureaucratic entrepreneurs’, that is, individuals (often Communist Party members) whose access to resources stems from their control of government institutions and finances.⁵⁶ Limited price-reforms significantly reduced the government’s ability to control the allocation of critical resources, while the “open-door policy” meant access to foreign capital, technology, management expertise, and markets. Between 1979 and 1991, China absorbed nearly \$80 billion in foreign capital and imported \$24.6 billion in foreign technology and advanced equipment. China’s door was opened not only to foreign capital but also to emerging capitalists within the country.

State and society in Russia and China: Democratizing the political system?

Compared with the Soviet era, the development of Russia’s political system is genuine and striking. Though its legal mechanisms are incomplete, Russia meets the minimum requirements of representative democracy. The country has a constitutional settlement confirmed by popular referendum that regulates the separation of powers, regular, free presidential and parliamentary elections, a multiparty system, freedom of speech, and a mass media that is, at least in a formal sense, relatively free, although controlled by various elites.

A less formal, more genuinely participatory model of democracy would require a developed and tolerant civic culture, an active civil society independent of the state, and a constructive attitude on the part of the state and public officials towards people and organisations active in civil society. Russia still has a long way to go to become a participatory, representative democracy.

⁵⁵ See for ex. Kate Xiao Zhou, *How the Farmers Changed China: Power of the People*, Boulder, Colo., Westview Press 1996.

⁵⁶ Castells, *op. cit.*, p. 313.

Nevertheless, Russian civil society does exist in some form at the turn of the twenty-first century. Some segments of it are very active domestically and transnationally. The kind of relationship developing between this civil society and the Russian state machinery is not at all clear-cut. Relations range from complete antagonism to benign tolerance and constructive co-operation.⁵⁷ Civil society and state and regional authorities harbour mutual suspicions of one another. But the Russian civil society-state relationship, though very complex, appears to be moving gradually from the ‘civil society against the state’ mode towards a more co-operative relationship.⁵⁸

Relations between the state and civil society vary depending on the issue in question, or the region within Russia. Federal, regional and local administrations are usually more sympathetic to associations oriented towards social issues than more sensitive problems such as ecology or human rights. Socially-oriented civil society, as the ‘third sector,’ takes care of many functions that the Russian state at present is unwilling or unable to manage. In some regions authorities have also started to utilise the expertise of human rights organisations, for instance, in trying to implement the requirements arising from the membership in the Council of Europe.

Beijing’s leaders have repeatedly stressed their determination to avoid adopting Western style models to build a democracy, or to avoid the Russian political chaos. Instead they have designed “a Chinese-style polity, governed by a single ruling party that combines socialism and democracy with Chinese customs and thought.”⁵⁹ After the stormy, destructive Maoist years, political stability and economic modernisation have been paramount goals, not only for the Communist leadership, but also, to a great extent, for the populace at large.

China remains an authoritarian state, albeit more open and diverse in terms of state-society relations than ever before in history. Political dissent is tolerated to a degree unheard of during the Mao era. Any public challenge to the legitimacy of the Communist Party’s right to rule is dealt with harshly. Dissenters are slapped with severe prison terms. But citizens do have the right to discuss social problems, criticise the authorities’ handling of local issues, and state their views on a wide range of previously taboo subjects in newspaper columns or letters to the editor as well as radio and television talk show programs. Ordinary citizens can take officials to court. China has taken the

⁵⁷ Christer Pursiainen, ‘Trends and Structures in Russian State/Society Relations,’ in H.Patomäki, ed., *Politics of Civil Society: A Global perspective on Democratisation*, Helsinki, Nottingham, NIGD Working Paper 2(2000), pp. 19-28.

⁵⁸ H. Patomäki and C. Pursiainen, *Against the State, With(in) the State, or a Transnational Creation: Russian Civil Society in the making?*, UPI Working Papers 4/1998, Helsinki, The Finnish Institute of International Affairs.

first steps to establish a rule of law by ongoing efforts to reform the juridical system. Transparency, though still light years away from the requisites of a Western democracy, has increased markedly during the 1990s. For example, in a landmark development in mid-1998, China for the first time published statistics on the number of people who have been tortured to death by police and other security forces.

In the early 1980s, Deng advocated simultaneous political and economic reforms. But in the spring of 1989, student demonstrations at Tiananmen Square turned into a widespread democracy movement, and the ageing patriarch sanctioned the use of force to end the demonstrations. The harsh crackdown against “counter-revolutionary forces” ended all attempts at democratisation. Deng called for economic reforms under the firm control of the communist party. Then came the end of Communist rule in the Soviet Union, which shocked Beijing’s leaders. Throughout the 1990s, reporting on events in Russia, the official Chinese media stressed the failings of Russian society, the declining economic conditions and the severe insecurity experienced by former Soviet citizens. The expression ‘walking down the road of the Soviet Union’ (*zou Sulian de lü*) became an expression that, besides meaning the demise of the Soviet Union, signifies ‘instability’ or ‘chaos’.

Many officials within the Chinese bureaucracy, who in the 1980s had considered themselves reformers and had spoken loftily of democracy taking root in China, transformed into neo-conservatives in the first half of the 1990s. Their changed stance was a result of, on the one hand, the bitter disappointment and gloom following the government’s brutal suppression of the 1989 Tiananmen demonstrations, and, on the other hand, the disintegration of the Soviet Union. Though critical of their leaders’ handling of the Tiananmen demonstrations, most Chinese officials felt instinctively defensive about Western criticism. According to one view, the rapid take-off of the Chinese economy in the early 1990s against the backdrop of Russia’s dismal economy, helped rationalise what had happened – political stability had brought economic progress.⁶⁰ Promoting rapid economic reform coupled with authoritarian measures to ensure law and order, the neo-conservatives aligned themselves with the nouveau rich, who did not want to see their newly acquired wealth and elevated social status threatened.

⁵⁹ Larry Diamond & Ramon H. Myers, ‘Introduction,’ in ‘Elections and Democracy in Greater China,’ *China Journal* Special Issue 162 (June 2000), p. 382.

⁶⁰ Linda Jakobson, *op. cit.*, p. 263.

By 1992 at the latest, the legitimacy of the Communist Party in China was mainly based not on ideology but on economic performance. During his famous Southern tour, Deng openly acknowledged that the Party rule would be dependent on producing economic results: “I can say that without the economic results of reform and opening, we would not have survived through June 4 (crackdown of Tiananmen democracy movement)]; then there would have been chaos and civil war. Why did our country remain stable after June 4? This was because the reform and opening promoted economic development and improved our people’s lives.” Deng alluded to economic progress in neighbouring countries and continued: “If we do not develop, or develop more slowly, there will be trouble once our people start making comparisons.”⁶¹

Though the Deng Xiaoping era is generally considered one that achieved an economic miracle at the expense of political reform, a more complex picture emerges from a closer examination of institutional reform, as well as various political experiments during the 1980s and 1990s. After the havoc of the Cultural Revolution, the Chinese bureaucracy and political institutions were in a state of chaos. In fact, the Chinese political system is said to have “resembled a Hobbesian world.”⁶² For example, no mechanism existed for the retirement of Party cadres. Deng pushed through set mandatory retirement ages for all party, government, and military positions and limited terms of office. In addition to the reestablishment of norms governing elite politics, Deng oversaw the strengthening of the legislature (National People’s Congress) and far-reaching reforms of the legal system.

Along with institutional reform, since the late 1980s, the Party has permitted open multi-candidate elections for the post of village chief in the countryside. By 2001, residents of most of China’s 930,000 villages had experienced at least two rounds of a relatively competitive electoral process. Candidates for the post of village chief need not be Communist Party members. According to the law on villagers’ committee elections passed in late 1998, villagers should nominate the candidates in an open selection process. Abdicating its right to appoint village chiefs, the Communist Party has conceded that elected ones are more effective. The grassroots-level governance reform (*jiceng zhengquan gaige*) not only empowers ordinary citizens and encourages them to take part in the decision-making process. It also institutionalises the concepts of accountability and transparency. Though the openness and fairness of village elections varies considerably, they constitute a foothold

⁶¹ *Shijie Ribao* (World Journal), March 2, 1992, p. 3, citing CCP Politburo document of Feb. 20, 1992.

⁶² Minxin Pei, ‘Is China Democratizing?’ *Foreign Affairs*, vol. 77, no. 1 (January/February 1998), p. 69.

for Chinese democratisation. Government officials and ordinary citizens across China have started to demand open elections for the heads of township leaders.⁶³

Grass-roots governance reform has long-term implications. For all its flaws, the reform is institutionalising a system of checks and balances at the village level. The leadership of the Communist Party has conceded that the most effective weapon in the struggle against despotism and corruption is the ballot box. During the last decade, at least 100 million Chinese rural residents have gained personal experience of what genuine multi-candidate elections entail in practice. Several hundred million more have at least some idea of how meaningful elections should be held. Tens of millions of government officials have been initiated in the practice of organising a competitive election. Mechanisms for the implementation of democratic rule are being put in place to await the day that they are needed, according to those Chinese scholars and officials who advocate grassroots level political reform as a necessary prerequisite during the transition from authoritarianism. Giving citizens a genuine choice is unprecedented in the history of the People's Republic of China. The notion that rulers need to be accountable has become part of Chinese official discourse. Laws are being passed institutionalising methods to force transparency upon ways of governing.

Scholars are divided in their assessments of the beginnings of civil society taking root in China. Optimistic assessments are grounded in the growing private sector, the mushrooming of semi-governmental organisations that actively take the authorities to task on a number of issues ranging from women's rights to environmental wrongdoings. The Administrative Litigation Law, enforced in 1990, permits citizens to bring suit against government officials for legal violations and grossly unfair procedures. Ordinary citizens increasingly find the courage to file legal complaints and seek protection against despotism and arbitrary justice. 'Rightful resistance' is becoming a legitimate model of behaviour when leaders do not follow their own rules.⁶⁴ The loosening of political control, coupled with a rights consciousness, has led to the emergence of what could be called 'sanctioned outspokenness.' For decades, repeating the Party line was the safest way to stay out of trouble. It still is, but because political, economic and social institutions are in a state of perpetual flux, the boundaries between the permissible and forbidden have become blurred.

⁶³ Linda Jakobson, *Blazing New Trails: Villagers' Committee Elections in P. R. China*, UPI Working Papers 19/1999, Helsinki, The Finnish Institute of International Affairs.

⁶⁴ Kevin O'Brien, 'Rightful Resistance,' *World Politics*, vol. 49, no. 1 (October 1996), p. 33.

Pessimists point to the symbiotic relationship between private entrepreneurs and government officials. They are adamant that the growing capitalist class has too many vested interests to be willing to push emphatically for political reform. They also take note of widespread arbitrary rule that continues in all sectors of society, but especially in rural areas where clans, secret societies and cult leaders are far more powerful than government officials.

The huge rural Chinese population that to this day is barred from settling permanently in urban areas and is discriminated against in innumerable ways by official policies, remains a major obstacle to the evolution of a genuine parliamentary democracy. Urban Chinese are keenly aware that rural residents have interests different from their own. The immense divide between urban and rural is a key factor of state-society relations in China.

Neither is Russia's democracy consolidated. During the political turmoil of the early 1990s Russians expressed a longing for 'the Chinese way.' In the mid-1990s South Korea or Pinochet's Chile were the objects of envy. Today, France under De Gaulle is most often mentioned as the role model for Russia's ideal political system of the transition period.

Also clear ideological sources for an authoritarian development exist in Russia, connected to the theme of modernisation. A new version of Westernism or *zapadnichestvo* takes the West as the a priori point of comparison in outlining the past, present and future of Russia.⁶⁵ But belief in a gradual, unforced democratisation through an emerging political civil society has many times been abandoned. Instead, mainstream Russian political thought reckons that the absence of a proper civil society should be solved by a process of modernisation led by the unified elite under an effective, integrating ideology. This view emphasises some sort of authoritarianism as the best strategy for the transition period. According to this view, in Russian conditions, the elite functions as the motor of development. A responsible elite, synonymous with the state, should formulate clear strategies and realise them, while remaining receptive to ideas coming from below.

This positive attitude towards an 'enlightened' authoritarianism is based on a clear distinction between authoritarianism and totalitarianism. In contrast to totalitarianism, authoritarianism – in

⁶⁵ These ideological sources of Russian authoritarianism are discussed in detail in H. Patomäki and C. Pursiainen, 'Western Models and the Russian Idea: Beyond Inside/Outside in the Discourses on Civil Society,' *Millennium* vol. 28, No. 1 (1999).

this thinking – upholds the autonomy of individuals and society in non-political spheres of life. Whereas totalitarianism penetrates all spheres of life, authoritarianism concentrates on state governance and does not interfere in the life of citizens. Authoritarianism is therefore often understood as being closer to democracy than to totalitarianism. Russia must choose the optimal authoritarian model to further the emergence of a constitutional state and oppose attempts to turn back the clock. Because of the organic relationship between economic modernisation and the development of civil society, the new authoritarianism must create the necessary conditions for modernisation that include a functioning civil society.

Albeit the motivation behind the choice of a strong presidential and hierarchic system may be a genuine endeavour to stabilise the situation and pave the way for later democratisation, the weakness of authoritarian models of democratisation is the poverty of the link between the state and society. Genuine parliamentary democracy would be more democratic than the presidential model because the collective decision-making procedures of a parliament, with its public debates and open voting, is more transparent and more susceptible to monitoring by the electorate than decision-making by a president — even a democratically elected president — in cabinet surrounded by his advisors.⁶⁶ The consequence of an extreme top-down model – democratisation led from ‘above’ – is that personal contacts, corruption and corporate elites can easily become the dominating features of state policy. An authoritarian model of democratisation often leads not to democracy, but merely to the replacement of the former totalitarianism with an oligarchy of new elites.

This is the essence of the present system in Russia, and may be a possible future scenario of China as well. Before long democratic progress in Russia may erode and the trend may lead back to an authoritarian political regime. The top-down democratisation is particularly dangerous in a fragmented party system, economic distress and social disorder. In such circumstances, even severe authoritarian solutions become an increasingly attractive option. It is tempting to see the need for a 'strong hand' to push through reforms, keep the lid on social discontent and prevent chaos.

Though minimal formal democratic conditions exist in Russia, the actual workings of the present Russian political system still shows signs of authoritarianism. Intended as a tool for democratisation, Russia's presidential Constitution actually provides ample scope for the expression

⁶⁶ Victor Sergejev and Nikolai Biryukov, *Russia's Road To Democracy. Parliament, Communism and Traditional Culture*, Aldershot, Edward Elgar 1993., p. 5.

of authoritarian traits. President Putin, immediately upon assuming office, took steps to create stronger 'vertical' power relations, under the slogan of 'dictatorship of the law.' Putin appears more interested in protecting the hierarchical mode of governance than protecting society from arbitrary rule. In assessing the future of democracy in Russia, it is fair to say that the power of the President is excessive.

Ideologically, Putin's modernisation is rooted in the old *zapadnik* idea of catching up with the West, and as earlier, basically the motivation is a defensive one. Russia has to be modernised – and if needed, with the help of more or less authoritarian top-down model – in order to preserve its great power status. Although further democratisation remains in the toolbox of this modernisation strategy, the present emphasis is clearly on the economic and technological modernisation process led by the elite rather than activated by the society.

In terms of the alternative strategies of modernisation, current Russian social debate elevates the notion of *eurasianism* over that of traditional slavophilism. This eastward-oriented conception of Russian space further develops the particularist, culture-centric Russian worldview, with its immanent anti-Westernism. The main idea is that Russia should not copy Western economic and political institutions since they were born of another civilisation. Russia should rely on its own traditions. This is generally expressed by reference to a need for 'social harmony' or appeals to 'traditional Russian collectivism' for which the state and its officials are held up as the implementing agencies. In these patterns of thought, individual or group interests must give way to the interests of 'collective harmony' as defined by the state.⁶⁷

While this thinking comes close to the Western communitarianism, its foreign policy implications are far reaching. According to some advocates of *eurasianism*, the whole fate of the post-industrial epoch depends on the destiny of Russia. In this view, should Russia adopt the status of a Third Rome as Muscovite Russia did after the Mongol period, there is a chance for the post-industrial epoch to avoid becoming a world-wide industrial ghetto, antagonistic to culture and nature. But unless Russia bids farewell to Americanism and stops imitating the West, it is probable that the post-industrial world culture will be a unitary technocratic culture.

⁶⁷ See Patomäki and Pursiainen 1999, *op.cit.*

In China, Communism is dead but the Chinese Communist Party is not. The Party clings to power, acutely aware that political reform is necessary in order to keep up the momentum of economic growth, but at the same time fearful – and not without reason – that opening up the political process to mass participation will lead to its own demise. There are those who believe that the only reason that the Communist Party remains in power is that no alternative exists. They see little reason to expect the emergence of competitive political parties or an institutionalised movement for democracy. Others feel confident that the social and economic trends pressing for market-driven policies will ultimately lead to greater political liberalisation. Most scholars seem to agree that in the short-term the Communist Party will continue to brutally repress all forms of political dissent and remain in power for the next decade by sheer force.⁶⁸ The overwhelming majority of even the most liberal Chinese officials take a utilitarian approach towards the concept of democracy. Democratic institutions are not ends in themselves. Rather, they are judged by how effectively they deal with the pressing problems of corruption, lawlessness, and inequality, or how efficiently they enhance China's quest for wealth, power and stability – in other words, China's determination to catch up with the West in terms of economic and military might.

Conclusions: New illusions in the making?

Though they began from different points and have adopted different means, Russia and China share the same impetus to modernise. 'Catching up with the West' is the ultimate goal. In Russia the historical roots of this goal go back at least three hundred years, in China, more than one hundred. For both countries the urge to modernise was a reaction to the challenge of the modern West; in China to the challenge of Japan as well.⁶⁹ Both countries were forced to break from their traditional social models.

The success of the Communist revolutions in Russia and China can only be understood in this competitive context. Both revolutions were reactions to the failures of pre-Communist Russia and China to meet the challenge of modernisation. But, despite rapid industrialisation in both countries, Communist modernisation projects proved ineffective compared to Western achievements. The

⁶⁸ Ten specialists were asked to expound on the question of China's future, under the title of 'Will China Democratize?' in *Journal of Democracy*, vol. 9, no. 1 (January 1998).

⁶⁹ Japan's modernisation drive since the Meiji Restoration (1868) was, in turn, based on its desire to 'catch up with the West'. The Meiji reformers looked to the West as a source of inspiration, and, in more practical terms, they based their reforms on Western models. See Akira Iriye, *Japan and the Wider World: From the Mid-Nineteenth Century to the Present*, London and New York, Longman 1997, pp. 1-4, 9. See also Ann Waswo, *Modern Japanese Society 1868-1994*, Oxford and New York, Oxford University Press 1996, Chapter 1.

Soviet Union created fantastic illusions about how the world's first socialist state would lead universal progress. But totalitarian state-society relations stifled the innovations necessary for post-industrial development. The Chinese first attempted to follow the Soviet model, but could not adapt it to Chinese conditions. Seeking rapid solutions, Mao Zedong created his own version of the socialist illusion, plunging the country from one disastrous experiment into another. In terms of modernisation, both countries were bound to fail.

Turning to the post-Communist economic and political transitions in both countries, one must first ask, when did they enter the post-Communist phase? If Communist modernisation is characterised by the pursuit of equality on ideological grounds, a command economy, rural collectivisation and industrialisation reliant to a great extent on state-run enterprises, China took the first step toward post-Communist modernisation in the late 1970s, when the reform and open door policy were officially endorsed. It continued forcefully in that direction, dismantling the communes and rapidly expanding the private sector during the 1980s. In 1992, when Deng Xiaoping acknowledged economic prosperity to be the foundation on which the legitimacy of the Communist Party rests, China's modernization drive was solidly in the post-Communist phase. Already during the 1980s Deng had declared that some people (and implicitly some regions) must be permitted to get rich first. The landmark decision to make mention of the private sector in the Constitution in 1998 was merely a belated legal acknowledgement of a *fait accompli*.

In fact, the Soviet Union began the slide toward post-communism later than China. Although *perestroika* created many slogans, in real terms it was only in the fairly late 1980s when concrete changes in the system took place, and were often half-heartedly implemented. While Russia's emphasis was on ad hoc political reforms, China concentrated on economic modernisation, maintaining its political system under the leadership of the Communist Party. Thus, in practice, the transition towards new ownership structures and market conditions occurred much faster in China, already under way by the mid-1980s. By the early 1990s, the non-state sector produced half of China's industrial output. In the Soviet Union, large-scale privatisation began only on the eve of the empire's collapse, to be implemented in the Russian Federation. China's capitalist revolution was driven largely by silent, spontaneous grass-roots initiatives, legalised later by the central government. Compared to China, the incidence of privatisation in the Soviet Union was minor. The bitter power struggles of the political elite, many of who condemned privatisation as 'speculation', rendered Soviet economic reforms impotent.

Another major difference, when comparing Russia's under Gorbachev/Yeltsin and China under Deng, was Deng's success in attracting foreign investment, especially by Overseas Chinese, who felt a culturally inherited devotion to their 'ancestral motherland' and were prepared to take risks. Russia never managed to create secure conditions for foreign investors, nor did there exist a financially well-off constituency of overseas Russians who Moscow could appeal to.

In terms of political modernisation, the chaos of the Cultural Revolution left both the Chinese leadership and the populace fearful of instability. The political elite, even the reformers, saw the Communist Party as the only stable alternative on which to build economic prosperity. Deng's staunch belief in the right of the Communist Party to wield power, coupled with his immense personal authority, were also contributing factors. Consequently, the Chinese political system is still rather authoritarian, though Chinese today enjoy more personal freedom than ever. The strategy for political reform has been through an overhaul of the juridical system, the gradual introduction of laws requiring accountability of leaders, and democratic local elections at the village level. The main motivation for these elections is not to bestow political freedom as such, but rather to use the ballot box as a weapon against corruption in local administrations. Whether the Communist Party is prepared to take the next step and transfer this experiment from villages to townships and counties remains to be seen. In Russia, by contrast, a large part of the nomenclature concluded that the CPSU could not reform the country, and that their interests would best be served by adopting a more or less Western type of democracy. However, the initial democratic enthusiasm evaporated fairly soon, and the future of the political system is still obscure.

China and Russia learned from each other, but drew the wrong conclusions. China watched Russia become a 'democracy', and decided that democracy is not what China wanted. China has not properly understood that it is precisely the underdeveloped character of Russian democracy that presents the major obstacle to true Russia modernisation and integration into the European mainstream. Forced economic modernisation, unmotivated by the society 'below', is less likely than ever to achieve long-term success in the contemporary world. Thus, China's top leaders promote the illusion that they can lead the country into the information age and catch up with the globalised West, without extensive political reform. Russia, on the other hand, observing China, has created its own illusion, wrongly concluding that more authoritarian governance would better suit its modernisation drive. Though the Chinese way is no longer an alternative, Russia laments its lost opportunity and refuses to take democratisation seriously.