

What is the Chinese on themselves think about modernisation of China's economics? Is a modernised China a threat to its neighbours? The Russian Journal addressed these questions to experts in China and outside the country.

CHINA'S SYNTHESIS OF COMMUNISM AND CONFUCIANISM



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Modernisation has been a global trend for all countries in the world. Modernisation refers to two things. On the one hand, it points to the end of a process: the standard of living should be on par with that of developed countries. On the other hand, it refers to a process of increasing production typically through industrialisation and technological advancement.

China is a successful example of such modernisation, and there are two aspects to its success. First, it has introduced market mechanisms in material production. Second, it has opened itself to foreign investment and foreign trade. In political terms, China has maintained its political and social stability by adopting limited reform measures. The Chinese Communist Party has been able to gain trust among the populace in China. **In philosophical terms, the rule of the CCP is based on Confucian traditions,** especially the concept of meritocracy. As long as CCP leaders are capable of delivering goods, they will have the support of

the Chinese people and thus have the legitimacy to rule.

A modernised China is not a threat for its neighbours, but instead could serve as an example throughout the region. For instance, China has developed high-speed trains in recent years and is in a position to assist others, such as Russia, in railway development.

Returning to the question about the "China model" for Russia, here are my thoughts: The China model is not an ultimate model with its own values and standards. **It is a learning model, a way for a developing country to catch up with the developed world.** What China did was pay full attention to economic development, opening itself to the outside world while adapting its political system along the way; and this has been very successful. Russia does not need to follow China's exact route towards development but needs to learn from its spirit. That is, economic development should be a high priority and has to occur in a stable social and political environment both domestically and internationally. ■

RUSSIA IS TIED UP BY THE COST OF ITS LABOUR FORCE



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By the end of the 1970s, China's political, social, and economic systems were on the verge of collapse, with strong pressure for economic reform. Deng Xiaoping used this opportunity. Of course, this was only a trigger of a much broader success that can be traced back to many causes. Nevertheless, without economic liberalization there would have been no emergence of the so-called "Chinese miracle."

Chinese success can be traced back to the utilization of their so-called "comparative advantages": **their labour costs were low, and there was an opportunity to use this source of production by foreign investors.** So foreign capital was able to generate high rates of return.

But this was not the only factor, because there was cheap labor available in other countries as well, like India. China had some further advantages, most notably their possession of Taiwan and Hong Kong. Indeed, in the very beginning, almost all FDI were made mainly via Hong Kong.

Compared to China, Russia has a high level of human resource, with a labour force that is very qualified, but also very expensive. **This might be**

the reason that has prevented the combining of foreign capital with Russian labour.

Culture sometimes also plays an important role. In China, we have great traditions and little traditions. Our great tradition is our Confucian culture. It dictates that government officials are not allowed to do business. Of course this doctrine does not prevent normal people from doing business.

Our little country tradition is pro-business. After the end of the 1970s, Chinese reform opened the doors for this little tradition, and former institutions applied communist ideology. But then there proceeded economic reform. Deng Xiaoping said, "You cross the river by touching the stone," meaning that the entire process was very experimental and gradual.

I do not think that a modernized China is a threat for neighbouring countries. In this regard, we can refer again to how that great tradition of China plays its role. As an ethical doctrine, Confucianism contains what Immanuel Kant called a 'Categorical imperative': "Don't do to others what you don't want done to yourself." So, I do not think China will become a hegemony. ■