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The *RJ* editorial staff presents readers two alternative standpoints with respect to the Chinese version of modernisation and the discussion that has unfolded around this topic both within the country and abroad

Evgeny Yasin
CHINA IS NOT A MODEL FOR RUSSIA'S MODERNISATION!

China is often given as an example of successful modernisation. China has certainly succeeded in making great achievements, and they are indeed well deserved. In the country's past, there are



almost three thousand years of continual development of the Chinese civilisation, which has experienced a state of stagnation and decay for only the most recent five hundred years. At the present moment, China occupies a position that, to a great degree, corresponds to its role in world history.

The key question arising for the Russians is connected to the fact that modernisation is required. Specifically, **can China possibly be a model pattern for Russia's modernization? My position is no, China cannot be serve as a model for Russia.**

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Mikhail Delyagin
CHINESE PATH FOR RUSSIA: «A NEO-STALINISM»

It has become a truism that there is only one alternative for modernisation in Russia; it is death. What is often forgotten is that idle talk about modernisation, which has occurred for more than a quarter of a century (since Andropov's 'experiment'), also leads to death, not to modernisation.

An optimal program of Russian modernisation must be a kind of 'neo-Stalinism'. This can be described as the concentration of resources under state stimulation, a concentration of intellectual research activity combined with an expedient and widespread implementation of the results. When a state's administration is strict and uses democratic institutions that are not



borrowed but inherent to the national culture, it does not contradict either intellectual activity (as in the examples of Japan and Singapore), or success in terms of modern global competitiveness and technological progress (such as in China).

To be continued p. 6

CHINESE PATH FOR RUSSIA: «A NEO-STALINISM»

Mikhail Delyagin



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Totalitarianism, a more extreme version of today's authoritarianism, is not incompatible with innovation and creativity. Under this system, a pioneering aircraft designer, Yakovlev, constructed his first airplane in a backroom work-

shop. It is easily comparable to those famous garages where the prototypes of American personal computers and other groundbreaking inventions were first conceived and realised.

Immunity from excessive cruelty

What was unacceptable for us in the modernisation pursued under Stalin?

Stalin's modernisation caused exceptional cruelty and indifference to human lives. It is unacceptable, not only for humanistic reasons, as world history is full of cases when clumsy or excessive humanism has shed rivers of blood – rather, it is unacceptable for purely practical reasons. It boiled down to cruelty that undermined the initiative of the people and created the firm historic formula somewhat like 'the system created by Stalin gave birth to Gorbachev'.

One should not seek solace in the fact that the pure brutality of Stalin was the echo of the monstrous exasperation of the Civil War. This unique exasperation shaped Stalin as its incarnate, and today we are supposedly guaranteed against something like this happening again.

Firstly, we do not know the degree of exacerbation that will be caused by the global economic crisis. Secondly, as early as the 1990s, we witnessed the policy of liberal fundamentalism (and even wars in a number of ex-USSR regions), the cruelty of which is somewhat comparable to the brutality demonstrated by Stalinism.

It is for these reasons that **we must admit that we are not immune to excessive cruelty.**

Considering the present level of decay in Russian society due to liberal social economic reforms, as well a tendency towards a burgeoning kleptocracy, any modernisation other than authoritarian 'neo-Stalinistic' approach is essentially unfeasible.

Maximum program and minimum program

For the younger generation, the strategic goals of modernisation are

fairly straightforward:

1. To modernise both socially and technologically, regenerate ourselves and the country. The old pattern of existence based on the spending of the Soviet legacy, is almost completely exhausted.
2. To preserve Siberia, the Trans-Baikal region and the Russian Far East; This will make it possible for a population that is equivalent to just two percent of the global population to reserve almost twenty percent of the global resources. We can do this only if we are smart, talented and full of energy.
3. To restore the internal unity of Russia in the regional, national and social contexts.
4. Raise not only the standard but also quality of living so that it is pleasant and comfortable to live in even the most remote corner of our country.

To resolve these strategic problems, it is necessary over the next two years to carry out at least a minimum program as the first step towards this end:

1. To guarantee a baseline minimal living wage as an economic expression of citizens' right to life. Transferring financial support from the central government to the regions is the first step towards resolving this matter.
2. To modernise infrastructure based on new technologies, which will result in a sharp reduction in expenses and also enhance business activity.
3. To limit corruption by providing exemptions from prosecution to persons charged with offering bribes who decide to cooperate with authorities in the course of investigation. Corruption can be further hindered through the confiscation of assets of members of organised crime entities (including corruptionists) who refuse to help in official investigations. A systemic improvement should also include the creation of a full-fledged 'electronic government'.
4. To limit the lawlessness of monopolies by ensuring the transparency

of their price structure. This can be done by empowering antimonopoly authorities to restore sharply increased prices for the duration of the period of investigation and to freeze prices and rates of the natural monopolies for a period of up to three years. Government efforts must be made to subsidise the costs of utilities and living costs that exceed ten percent of a family's income (which makes the Ministry of Finance the grave digger for utilities' monopolies).

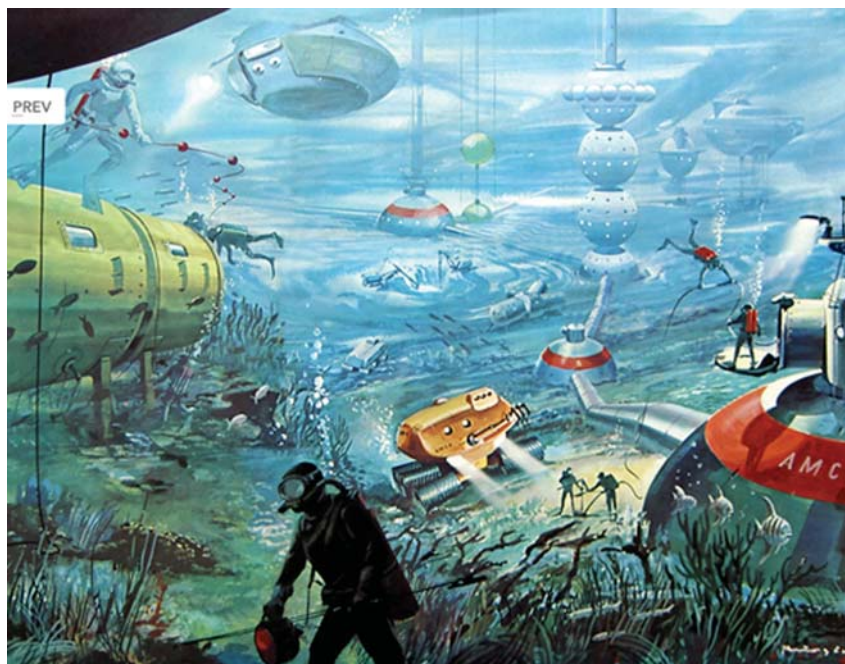
5. To establish a moderate tariff protection policy based on the approach taken by the European Union. With respect to payments from the state budget, to prohibit the import of any goods and services that could otherwise be produced in Russia. The government should impose a ten percent tax on any capital withdrawal from Russia that was invested for a period of less than one year.

Factors and limits of the 'Chinese miracle'

The key factor of China's success in its path toward modernisation is **an effective system of administration that maintains responsibility to the people** and its ability to achieve results characteristic for democracies (right down to its changing leaders). The Chinese did not borrow alien, nominally democratic institutions from the West. Responsibility to the people and internal culture allowed the administration to transform national traditions, which previously hindered China, towards a means by which to enhance its own competitiveness.

Other important, albeit secondary factors, include the relative affordability and diligence of the country's labour force, investments made by emigrants (Huaqiao), and the political system itself.

Since the Nixon era, the USA correctly considered China to be its strategic ally against the USSR. This approach has an historical basis, as the American general Marshall was misled by the ostentatious liberalism of Mao Zedong and cleared the way for Mao's coming to power at a moment that was crucial for the leader of the CPC. The American market was very important for China, and notwithstanding all the efforts made since 2003, its signifi-



cance has not declined very much.

However, **the key to the first stage of Chinese modernisation came with the inflow of the Huaqiao investments.** It took the genius of Deng Xiaoping to arrange this cash inflow. If the USA market had been closed to Chinese production, then the products made with their help would have found other markets.

The main factors of the Chinese economy's vulnerability should also be mentioned. Social and regional disparity is growing. There exists a shortage of water, soil and energy. The country is over-populated, the nation's population is growing old, and there is a shortage of women. The conflict between state authorities and business interests is softening, though it still exists. The leaders of China realise that the country is not ready to act on a global scale, even though China has already become a global factor, a development which came as a surprise to itself.

The weak fool and the strong wiseman

A weak fool perceives that he is threatened by everything, while the strong wiseman believes that everything is helping him.

China's modernisation is a threat to today's Russia both in terms of the absorption of the Trans-Urals (at least in economic terms), and by its exclusion from global markets. At present, Russia is not in a position to influence China due to its relative weakness.

The modernisation of Russia must take into account the peculiarities of the Russian culture. This includes our outstanding abilities for technically specialised labour. These skills should help us to achieve competitiveness with China. **Chinese culture works well with a mass production system, and we will be able to complete it on the technological level.** A competition for development resources will indeed take place, but it will not reach an ultimate show-down.

In a period of five years, China will not be able to make a quality transition from improving upon that which is borrowed to the creation of new technological concepts. New innovations are not supported by Chinese mass culture, which tends to reject creators.

However, China's massive effort to buy up foreign intellectual property, which has been happening since the start of the millennium, coupled with the conscious efforts by the state, should probably start capacitating the resolution of this problem once these five years have passed. **Under the conditions of normal development** (which possibly might not be seen at the moment due to the global crisis), **China should be able to create new technologies, thereby overtaking Japan and achieving the level enjoyed by today's Great Britain.** China's technological development will still lag behind the level of modern-day USA, but the possible degradation of the American system may result in a 'parity' in this field already by 2015-2020. ■

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