

Zhou Ruijin

RECORD OF HOW THE SERIES OF “HUANGFU PING” ESSAYS CAME ABOUT

7 May 2008

[Huangfu Ping, as this essay explains, was the pen name of a writing group in Shanghai in the early 1990s. The main writer, Zhou Ruijin, re-emerged in 2007 and 2008, still publishing under the penname but also revealing his real name and position. Following the suppression of the democracy movement in 1989 there was a retrenchment on reform, Party hardliners blaming the unrest on the liberal economic reforms. They also associated the reforms with the debilitating inflation and corruption of the times. Deng Xiaoping, the leader mainly responsible for the brutal crackdown, had also urged that the reforms continue, but at that time Deng had lost influence relative to some of the more conservative “elders” (members of the regime’s founding generation). The Huangfu Ping essays of 1991, written probably with even more direct encouragement from Deng, his family, or members of his entourage than is acknowledged here, argued that China’s salvation lay in greater rather than lesser use of the market. Deng had argued behind the scenes that the collapse of communism in eastern Europe (and, later, the collapse of the Soviet Union) had nothing to do with lack of democracy and everything to do with poor economic performance: and the market was the means to achieve economic prosperity. The 1991 Huangfu Ping essays made the case for the market and laid the groundwork for Deng Xiaoping’s reassertion of his own influence during his famous 1992 “spring tour” of the prosperous areas of southern China. At that point Deng asserted that the Party had to recommit itself to reform and that if the Party leadership did not agree, that leadership should be replaced. The spring tour was followed by a radical assertion of the market economy and the subsequent years of spectacular economic growth.]

By the middle of the first decade of the 21st century, however, those with misgivings about the untrammelled operation of the market once more became bolder in voicing their opinions. While China had achieved great economic growth, it was also beset by social problems that seemed directly related to how the market worked: corruption was a perennial problem; there had developed vast inequalities in wealth and income, both among localities and families; medical care and education had become unaffordable for great numbers of people; the state provision of collective goods was lacking. . . In his later writings Zhou revisited his earlier enthusiasm for the market. He remained convinced that the market economy was the only way to economic growth; the social evils enumerated came not from the market itself but from the imperfect political and social environment in which the market operated. He said that in the past he had underestimated the need for the state to provide the necessary guarantees that allowed the market to work as it should: fair enforcement of contracts, provision of welfare benefits to those left behind, control over corruption (itself a consequence of too much direct political intrusion into the market), the setting of reasonable regulations to control

economic activity, “macroscopic” controls over interest rates, the money supply, so forth. In the final paragraphs of this memoir Zhou argues in effect for a state with limited functions but also a stronger state, one with the ability to perform those functions proper to it.]

[*Beijing Youth Daily*] **Editor’s Note:** In the 1980s and 1990s writings by various theorists and politicians in our country returned to the theme of class struggle.^[1] They claimed that the policies and directions chosen by our country during the decade and more of reform and opening amounted to a “capitalist reform outlook.” In 1991 Zhou Ruijin under the penname Huangfu Ping, authored four review essays under the general title, “Reform and Opening Require New Paths of Thought,” publicizing the thinking of Deng Xiaoping on reform and opening. The essays aroused a great response at home and abroad. They were seen as a prelude to Deng Xiaoping’s southern tour and a weathervane pointing toward the direction reform would take.

More than this, 15 years later Zhou Ruijin issued a new summons, “We Cannot Waiver in Reform.” These took into consideration new problems arising in the course of reform. They brought up the notion that “government must be transformed into a platform for service to the common good” and other pioneering concepts.]

The *Liberation Daily* Fires the First Shot

Lots of people connect me with the name “Huangfu Ping.” Huangfu Ping was the penname for articles written by my organization. What is the background and true significance of those articles? It is from this perspective that I hope to bear witness to the historical development.

In 1991 Shanghai’s *Liberation Daily*^[2] fired the first shot, publishing four commentaries under the name of Huangfu Ping, provoking an intellectual confrontation over whether reform and opening bore the surname “Socialist” or the surname “Capitalist.”^[3] These articles served as the background for Comrade Xiaoping’s inspection tour in the spring of 1992 to Wuhan, Zhuhai, Shenzhen, Shanghai, and other areas. Comrade Xiaoping’s “Important Conversations on His Southern Tour” became the banner of the “second thought liberation movement.”

In the 1980s and 1990s we were in the midst of an economic control and correction. If we add to this the economic sanctions imposed on us by some countries [in the aftermath of the suppression of the democracy movement in 1989], it means that from 1989 to 1991 our economic growth went into a slide. It reached its lowest point in 1990, when GDP growth was only around 3.5 percent. At the same time, in 1990 there were the dramatic changes in eastern Europe and in 1991 the collapse of the Soviet Union. The world’s first socialist state thus came to its end.

In the midst of these domestic and foreign storms, some theorists and statesmen published long essays bringing up

once more the topic of class struggle. They had two views of reform and opening. One claimed that our ten years of reform and opening had led to a “capitalist reform mentality.” They questioned whether reform was capitalist or socialist in nature. Many of the elements of reform and opening were accused of being a “hotbed of peaceful evolution.” The adoption of a joint stock system was called privatization. Household contracts and the contract system for firms were considered to be bringing about the collapse of the public ownership economy. Attempts to attract foreign investment were treated as acting as the servants of the foreign bourgeoisie. So forth. The voice of reform and opening fell silent. That was the general situation in public opinion at the time.

In the end, what direction should China take? It was under these conditions that during 1990 Comrade Deng Xiaoping repeatedly urged that reform and opening should not be cast aside. He proposed that there be a resolution concerning the policies the reform of Pudong in Shanghai; that the four special economic zones be opened up further, and that these should become models for promoting reform throughout the whole country.

In 1991, Comrade Xiaoping spent the Spring Festival in Shanghai, from 28 January to 18 February. That was the fourth time he had spent the Spring Festival in Shanghai. But unlike the previous three times, this time he busily conducted inspections, visiting firms, and listening to reports concerning the reform and opening of Pudong. He said, in a moving fashion, “We still need to talk about reform and opening. Our Party will have to for decades to come. It’s not enough for me as an individual alone to talk about it. Our Party needs to say something, and it will need to do so for decades.” At another time he said: We should not assert that a planned economy in itself is socialist while a market economy is necessarily capitalist. This is not at all how things are. Both of these are methods. A market can also serve socialism.

Four Essays Promote a Wave of Reform

It was the custom of the *Liberation Daily* every year at the Spring Festival to publish a commentary greeting the new spring, mentioning the situation for the coming year and providing a basic analysis and viewpoint on the tasks ahead. Previously they had all been written by me personally. But this time I felt deeply the importance of Comrade Xiaoping’s words and could not write a little piece as in years past. Therefore I sought out the head of the editorial department of the *Liberation Daily* and a section head in the Policy Department of the Shanghai Party committee. The three of us studied how best to promote the spirit of Comrade Xiaoping’s important pronouncements.

The first essay by the famous Huangfu Ping was published on the first day of the Lunar year (February 15),. The title was, “Serve as the Bellwether of Reform and Opening,” since that year happened to be the Year of the Sheep. The essay pointed out that in the twelve-year cycle, the previous Year of the Sheep was 1979, the first year of the implementation of the reform program. “History convincingly demonstrates that reform and opening are the only path to

a strong country and prosperous people. Without reform and opening we would not have the good life we enjoy today and the even better tomorrow to come.” Reading these words today, they seem very ordinary; but at the time they were a real eye-opener for society.

Subsequently we published the second Huangfu Ping article, “Reform and Opening Require New Thinking.” This was the most important of the four articles, faithfully transmitting Comrade Xiaoping’s new thinking concerning reform and opening. That was, that reform and opening in the 1990s required the development of a market economy. Planning and the market were two different methods and forms of the distribution of resources, but were not the demarcation line between socialism and capitalism.

Twenty days later we published the third article on the theme that we “need to strengthen the ideology of reform and opening.” This was directed against doubts held by people at the time that reform might damage our national industries, that it would “turn Shanghai into a paradise of speculators,” and various other issues raised by the building up of Shanghai’s Pudong district. Some of the wording in this article made Huangfu Ping the target of criticism in various periodicals. The general idea of the article was that strengthening the ideology of reform meant that we had to go a step further in liberating thought, that we had to abandon all conservative, rigid, closed-minded concepts, that we had to create a climate favorable to progress and international development. In the 1990s Shanghai’s reform must march forward with great strides and in order to achieve this some brand new thinking was required. We had to take risks and do what no one else had done before. For example, in developing Pudong, setting up a tax-free zone, implementing a policy of non-regulated imports and exports, customs exemptions—all this was called “building a socialist Hong Kong.” If we continued to fret about whether this was socialist, we would miss the opportunity of the time.

The fourth article was published on 12 April. That year, Comrade Zhu Rongji had been selected as Vice Premier of the State Council. In the article we declared that “reform and opening require a corps of cadres who are qualified in terms both of virtue and talent.” This was written in accord with General Secretary Jiang Zemin’s statements at the Seventh Central Committee plenum. The essay cited the opinions of the Warring States-era thinker Xunzi: “If an official can explain the policy and also implement it, he is a treasure to the state. If he can explain it but not implement it, he is still of use to the state; if he can’t explain it but is able to implement it, he is an instrument of the state. If he is glib and incompetent, he is a disaster for the state. The ruler respects his treasure, loves his tools, employs the useful, and discards the disaster.” The article explained that reform and opening required a large corps of people who were courageous in thought, in investigation, and in innovation. Political responsibility should be given to those publicly recognized by the people as upholding the road of reform and opening.

Vigorous Exchange of Opinions and a Wide Diversity of Perspectives

These four articles aroused attention and reaction throughout the country. Lots of readers telephoned asking who was the author of the articles. What was the background? Many of the representatives of different municipalities and provinces in Shanghai received calls from the leaders of their localities, asking that they compile the complete works of Huangfu Ping. Lots of cadres and masses at that time thought this was the blowing up of a new spring wind of reform. This shows that Comrade Xiaoping's new thinking on reform and opening aroused an great reaction.

It was also just at that time that some of the domestic media began publishing criticisms, claiming that the Huangfu Ping articles should not have brought up the issue of whether the basic character of reform was socialist or capitalist: in fact, was the author himself socialist or capitalist? There was public criticism of a "vulgar reliance on productive forces alone" and "economic utilitarianism." So forth, so on. Reading these, clear-sighted persons all knew that these were directed against the Huangfu Ping articles and the spearhead was pointed at Deng Xiaoping's theory of building socialism with Chinese characteristics. I myself came under great pressure at that time. I had already been assigned by the Center to take a position at Hong Kong's *Ta Kung Pao*, but before I could leave this was suddenly withdrawn.

It was under these circumstances that the deputy head of Shanghai's Propaganda Department compiled a collection of the criticisms of the Huangfu Ping articles and of myself. It must be said that in the course of this intellectual struggle there was a great diversity of views expressed. A certain leading comrade came to Shanghai and stated that the influence of the Huangfu Ping articles was "very bad." Our thought had been united on the concept of "planned economy as the main force, supplemented by the market," but Huangfu Ping thought only of the market and the ideology of the entire Party was in ruins. But a month later another leading comrade came to Shanghai and said something different. He had a humorous way of expressing it: "Before a child is born we don't know if it is a boy or a girl; we shouldn't be too quick to decide on a name." That is to say, in the course of reform and opening there was lots of new exploration, and we needn't be in a hurry to decide whether things were socialist or capitalist.

Comrade Xiaoping, at 88 Years of Age, Comes "Down from the Mountain" to Say Some Words

In 1991, as the Huangfu Ping articles were being published, Comrade Xiaoping was calmly observing and thinking. In the spring of 1992 that venerable old gentleman came down from the mountain. From 18 January to 21 February the 88-year old Comrade Xiaoping undertook a southern tour, paying no attention to the effort and hardship that entailed. He visited Wuchang, Shenzhen, Zhuhai, Shanghai, and other places, constantly pointing out that China's reform required a market economy and that we should persist in this basic line for 100 years. We would come to a dead end if we did not support socialism, if we did not reform and open up, if we did not develop the economy, if we did not improve the livelihood of the people. All those who did not support reform should quit the stage. Comrade Xiaoping

said that to develop wealth was the most reasonable thing to do, and encouraged us to “grasp the times, develop our selves—and the key to this is economic development.”

The Party’s Fifteenth Congress formally pointed out: “The non-public economy is an important component of the socialist economy,” stipulating that the economic organization of socialism meant “multiple forms of ownership, with public ownership as the main form.” Later on the concept of the “two no wavers” was brought up: Never waver in the development of the public sector; never waver in the development of the non-public sector. This summed up the whole process of the second thought liberation.

In their 30 years of existence, reform and opening have walked a twisty road. Along the way there have been three great debates. The first was in 1982 concerning the theory of a commodity economy ^[4]; the second was what I discussed above, concerning the market economy. The third great debate lasted from 2004 to 2006. Some scholars thought that the reform of our state-owned enterprises had gone wrong, leading to a fall into state capitalism. And as a consequence of this, all aspects of reform—education reform, housing reform, health care reform—had all gone wrong. Some of our comrades claimed that throughout the course of reform we had used western liberalism and neo-liberalism as the guide to reform, and thus the whole direction of marketized reform was in error. That debate began from here.

In January 2006 I thus decided to publish another article under the famous name Huangfu Ping: “Reform Cannot Waver.” This argued a basic concept, that the marketization of reform was not an error. The error was that we had not correctly acted according to the laws of a market economy in that we failed to perfect our legal system and other systems. This was the reason that so many problems had piled up.

The Government Should Not Occupy the First Line in the Economy

I do not deny that after the stipulation of a market economy by the Fourteenth Congress in 1992 until 2000 we were plagued by six major questions. The first is the expansion of the three great distances—that is, the distance among localities, between town and country, and between rich and poor. The second is serious lags in the social enterprise: we have paid exclusive attention to the growth of GDP and have fallen behind in the social enterprise; there is no full system of social guarantees. The third is the problem of people’s livelihood: problems in finding work, in getting an education, in getting medical treatment, in finding housing, so forth and so on; these have created all kinds of difficulties relevant to the personal and physical interests of ordinary people. The fourth is a crude approach to development: since the onset of reform and opening, because of the relatively rapid growth of GDP, there has been extravagantly large-scale investment, resulting in a waste of resources and undercutting our ability to achieve “sustainable development.” The fifth is severe environmental damage: water air pollution, excessive use of water and excessive generation of carbon dioxide. The sixth is the spread of corrupt phenomena: collusion between officialdom

and business, the exchange of money for power and influence—all tending to throw society into chaos and a degeneration of social morale.

How can these six big problems be solved? In the 1980s and 1990s the main contradiction was insufficient supply of goods to individuals so that needs went unsatisfied. But after the turn of the century the main contradiction became an insufficient supply of social goods and questions of unfairness. These so-called social goods include education, health care, housing, social insurance, social order, access to information, legal fairness, as well as civil rights: citizens have the right to know, to participate, to supervise: these are all social goods.

How much of the growth of GDP and the annual increases in fiscal receipts have gone into satisfying the needs of the citizenry in terms of the social enterprise? Very little. This has produced the new “three great mountains” [that is, big problems, difficulties]: difficulty in getting health care, education, and housing. I believe that the government should not occupy the first line of the economy. Rather, it should become responsible for the provision of government services, adopting a macroscopic perspective to regulate and adjust the economy, supervise the market, do a good job of social service and management by means of law. It should be a thrifty and efficient government, a transparent government. We can solve our problems if we follow this direction.

Seventeen years ago, when I wrote the first Huangfu Ping essay, I thought that if we were able to put in a market economy our problems would be solved, and economic growth would be both high and rapid. But after 17 years I feel there are two kinds of road for the market economy and two kinds of prospects for economic development. One is a market economy controlled through a legal system; another is a market system controlled by the powers that be. If the legal system remains imperfect and there is no systemic innovation, we could very well walk the road of plutocratic capitalism. I believe that while the government should not become the main element in the economy, but it should become the main element in serving society. And the government must be limited in its powers. In a harmonious society the government exercises power for the common good. It needs to adjust the economy, manage the market, and provide collective services. That is the limit of the government’s powers. Secondly, society has the power to regulate itself. Previously the socialist political system had been discussed according to three themes: people’s congresses, political consultation, and national autonomy [for minority ethnic groups]. The Seventeenth Congress added another condition: the idea of the socialist base-level political system. This is very important. Society must exercise basic-level self-rule; society has autonomous ruling power. The third power is the market. The market controls the allocation of resources. The situation of a harmonious society is the joint operation of governmental authority for the common good, social autonomy, and a market distribution of resources. Each part of it takes care of itself: the government manages the government, society manages society, the market manages the market. Only in this way can society move toward

harmony.

In the our 30 years of reform and opening, “political man” has been transformed into “economic man.” Everyone is concerned about economic benefit.

I believe that a future new thought liberation we should be moving toward “harmonious man.” We need to pursue full human freedom and development.

Beijing Youth Daily, 7 May 2008

[1] Class struggle was the dominant theme of the Cultural Revolution.

[2] The official newspaper of the Shanghai Party committee.

[3] The particular play on words here does not translate very well. Socialism is *shehuizhuyi*, and capitalism is *zibenzhuyi*. In the early 1990s there was a debate over the nature of the liberal reforms: were they genuinely socialist or did they mark a return to capitalism. Was their “surname” or family name *She*, or was it *Zi*?

[4] In Marxism “commodity” generally refers to a manufactured good brought for sale in the market. The term commodity economy was an early Chinese euphemism for market economy.