

# The Beijing Consensus

Zhiyuan Cui

Joshua Ramo who coined the term “ Beijing Consensus”



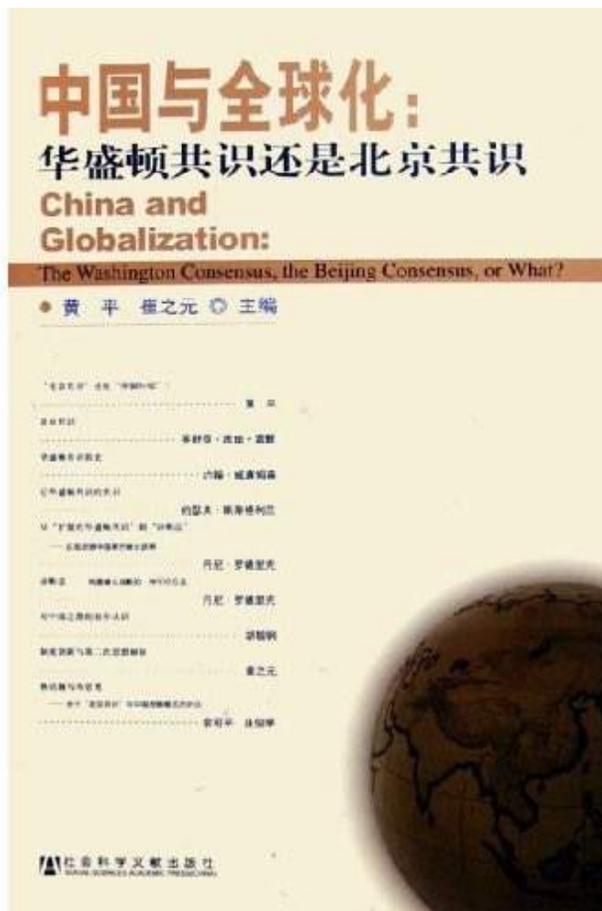
Professor Adam Przeworski of University of Chicago at the time Ramo and I studied there



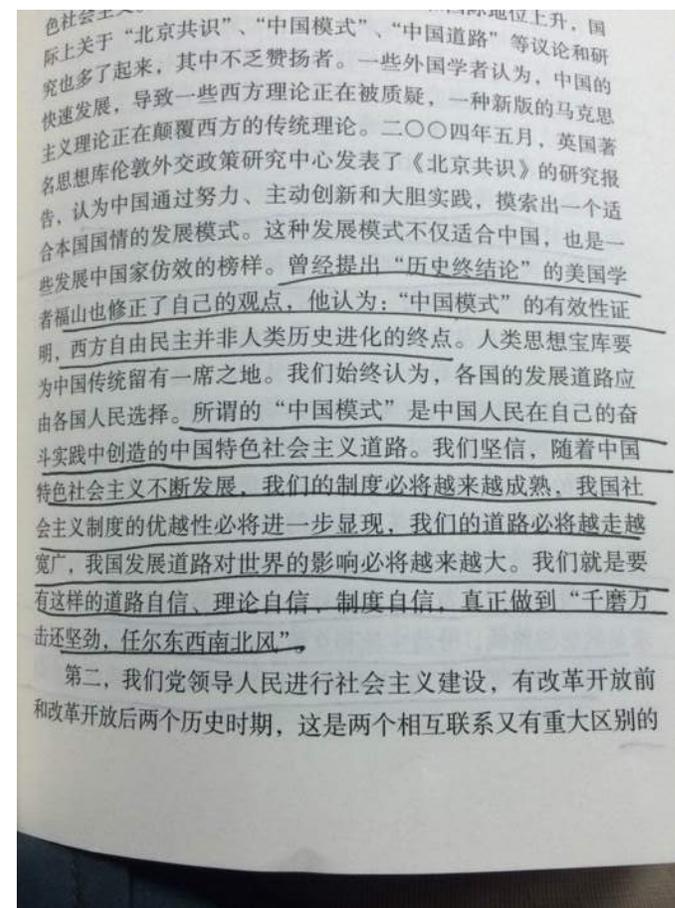
# From “the Beijing Consensus” to “the Chinese Way”

## 关于“北京共识”或“中国道路”的研究

→我和时任中国社会科学院美国所黄平所长一起编辑出版了“北京共识”的论文集（2006年中国社科文献出版社出版）。



中国与全球化：  
华盛顿共识还是北京共识



习近平肯定“北京共识”

# “The Washington Consensus” (Williamson, 2004)

- (1) Fiscal policy conservatism - avoid large deficits relative to GDP;
- (2) Moving towards investments in pro-growth, pro-poor services such as education, health care, infrastructure;
- (3) Adopting progressive tax reform;
- (4) Market determined interest rates;
- (5) Competitive exchange rates;
- (6) Trade liberalization (which has received the most attention);
- (7) Liberalization of inward FDI; (8) Privatize state enterprises; (9) Improve property rights; and, (10) Deregulation

# Deng Xiaoping as an Ultra-Pragmatist

“I do not care if it is a white cat or a black cat ... It is a good cat so long as it catches mice “----Actually, Deng initially used the term “Yellow Cat”

Ramo’s Conception of the Beijing Consensus:

- (1) A Commitment to Innovation and Experimentation
- (2) A Commitment to equity: GDP is not a sufficient measure of progress
- (3) A Commitment to self-determination in international relations

# John Dewey 's China Visit: May 1919 –July 1921

Dewey originally only planned to stay in China for a few weeks after his lecture trip to Japan; however, when he arrived in China on April 30, 1919, he found himself and his wife enacting a historical drama. Four days after his arrival, the May Fourth Movement broke out in Beijing. This movement was triggered by the **student demonstration against the Versailles Peace Conference**, but broadly speaking, it was the beginning of the intellectual and social reform movement which culminated in the reorganization of the Nationalist Party in 1924 and the founding of the Communist Party in 1921. During his two-year and two-month stay in this crucial period, **Dewey personally knew or met almost all key political and intellectually figures in China at the time.**

## Dewey's dinner with Sun Yat Sen, May 12, 1919 in Shanghai

“Ex-President Sun Yat Sen is a philosopher, as I found out last night during dinner with him. He has written a book, to be published soon, saying that the **weakness of the Chinese is due to their acceptance of the statement of an old philosopher, “To know is easy, to act is difficult.”** (“知易行难”) Consequently they did not like to act and thought it was possible to get a complete theoretical understanding, while the strength of the Japanese was that they acted even in ignorance and went ahead and learned by their mistakes; the Chinese were paralyzed by fear of making a mistake in action. **So he has written a book to prove to his people that action is really easier than knowledge**” (“知难行易”) – from Dewey's “Letters from Japan and China”, first published in 1920 in New York

# Young Mao Zedong Attended Dewey's Lectures Twice and Served as a Note-Taker



(图：1919年杜威访华时合影。前排左起：史量才、杜威夫人爱丽丝、杜威；后排左起：胡适、蒋梦麟、陶行知、张作平)

Bertrand Russell first met Dewey in Changcha, China and young Mao as Note-Taker for both

Russell made “a **lucid exposition** of the external, or political and economic, problem of China—with a lucidity which, emerging from an obscure world, **must always be close**, as it is with Mr. Russell, **to irony**”... “probably no one but a Chinese can give it to the world, a picture of the most wonderful as well as the most difficult to bring to conclusion of any that human history has yet witnessed” ---Dewey’s review of Russell’ book “The Problem of China” (1922)

It is significant that Dewey, who stayed in China for 2 years plus 2 months, declined Walter Lippmann’s invitation to write a book about China where Russell, who stayed in China for 9 months (from October 1920 to July 1921), did write a book on China.

# Experimentation is Central to Pragmatism

“the business of political philosophy and science . . . to aid in the **creation of methods such that experimentation may go on less blindly**, less at the mercy of accident, more intelligently, so that men may learn from their errors and profit from their successes.” (Dewey, “Public and Its Problems”, 1927, p.34)

“The overriding criterion by which to measure our success in **approaching an experimentalist ideal in politics is success in making change less dependent on crisis**” (Roberto Unger, “The Self Awakened-Pragmatism Unbound”, Harvard, 2007, p. 42)

# The Elements of Pragmatism in Mao's Thought and Policy

Mao's major philosophy work "On Practice" (1938) : "Seeking the Truth from Practice" ("实事求是") ;

Stalin's criticism of Mao's revolution in China as "Petty Bourgeois", deviating from the doctrines of Marxist proletarian revolution;

"From Point to Surface" working method "由点到面": **experimentation** essential for policy making, starting from different experiments on land reform in Jinggangshan (井冈山) and Minxi (闽西) as early as 1928 ----from Sebastian Heilmann, "From Local Experiments to National Policy: The Origins of China's Distinctive Policy Process", The China Journal, No. 59 (Jan., 2008)

# Policy Experimentation in China's Reform Period (1978 to Now)

“a distinctive policy cycle, **experimentation under hierarchy**, is the key to understanding the emergence of an unexpectedly adaptive authoritarianism in China. Though ambitious central state planning, grand technocratic modernization schemes, and megaprojects have never disappeared from the Chinese policy agenda, **an entrenched process of experimentation that precedes the enactment of many national policies has served as a powerful correcting mechanism.**

First, I propose a definition of transformative experimentation that helps to understand why this approach to reform differs fundamentally from conventional policymaking and is not confined to mere incremental change. Next, I examine the specific tools and processes that facilitated experimentalism in China”. -from Sebastian Heilmann

Therefore, It is pertinent to ask:

What is the political implications or consequences of the pragmatic way of thinking and policy making in China?

There are two kinds of answers in the Western literature:

1. Richard Posner: ““philosophical pragmatism . . . lacks any political valence and thus is equally compatible with reactionary and revolutionary social visions.” (in his “Law, Pragmatism and Democracy”, 2003, p.55) Similarly, Richard Rorty: “there is no reason why a fascist could not be a pragmatist in the sense of agreeing with pretty much everything Dewey said about the nature of truth, knowledge, rationality and morality.” (in his “Philosophy and Social Hope”, 1999,p.23)

# The political implications of pragmatism

2. Based on Dewey's remarks "the pragmatic conception of truth . . . places upon men the responsibility for surrendering political and moral dogmas, and subjecting to the test of consequences their most cherished prejudices. Such a charge involves a great change in the seat of authority and the methods of decision in society", Jack Knight and James Johnson argue: "When we pursue the implications of such observations, it becomes clear that **pragmatism implies some kind of priority for democracy**" (in their "The Priority of Democracy---Political Consequences of Pragmatism", Princeton, 2011, p.33)

# Dewey on Democratic Implications of Pragmatism

“If the pragmatic ideal of truth has itself any pragmatic worth, it is because it stands for **carrying the experimental notion of truth that reigns among the sciences**, technically viewed, **over into political and moral practices**, humanly viewed” (Dewey, 1911)

**Hilary Putnam**, “A Reconsideration of Deweyan

D The claim, then, is this: **Democracy is not just a form of social life among other workable forms of social life; it is the precondition for the full application of intelligence to the solution of social problems.**

# Putnam's Critique of Habermas and Apel

But this observation seems to undercut much of the force of Habermas's and Apel's arguments. After all, the anti-democratic despot need not be insincere when saying what he or she believes to be the truth. He or she may honestly believe that an authoritarian society is the best society. He or she may refuse to allow that belief to be put to the test because the despot believes that the moral cost of such a test would be much too high. If, for example, the despot is convinced that trying democratic modes of social organization would lead to enormous amounts of suffering, he or she may feel that while not allowing them to be tried, or even discussed, is unfortunate epistemologically, and prevents his or her beliefs from having as much warrant as they might otherwise have, not trying them is not only morally justified, but morally required. The

# Putnam relies on Dewey's non-transcendental argument for Democracy

All special privilege narrows the outlook of those who possess it, as well as limits the development of those not having it. A very considerable portion of what is regarded as the inherent selfishness of mankind is the product of an inequitable distribution of power—inequitable etc. There is no favored class in history which has not suffered from distorted ideas and ideals, just as the deprived classes suffered from inertia and underdevelopment.<sup>51</sup>

# The Chinese Pragmatism: Flexibility, Vitality, but Still Truncated

Experimentalism in today's China is more successful in policy areas related to economic growth ( such as Shenzhen as a "Special Economic Zone") than in the policy areas related to social innovation and social protection which require more stakeholders' participations;

Even where Experimentalism is successful, it's evaluation and it's "peer review" is under-developed, therefore, "reflexively monitoring of its own effectiveness" ( Jack Knight and James Johnson, "The Priority of Democracy", p.216) is lacking;

The under-development of "The Public" in the Deweyan sense in China

# An Example: The Chongqing “Land Certificate Exchange” Experiment Since 2008

指标面积 (亩)	出让价款 起始价 (万元)	成交价 (万元)	竞得单位
300	1280	2560	重庆玉豪龙实业有限公司
800	4587	6420	重庆城市建设投资公司

Figure 1. Land Certificates Transaction Bulletin of Chongqing Land Exchange Market

“Land Certificates” 地票 Signify the amount of rural non-agricultural land that has been converted back to cultivation

“If a developer wins an auction and thus gets a “land certificate,” then it can use this quota to purchase land-use rights in urban areas and develop that land. This interesting institutional arrangement is in a sense similar to “emission permits trading” in the current global climate change regime.

Figure 1 shows how the “land exchange market” works in Chongqing. In my view, the nature of “land certificates” is “land development rights” for peasants: the right of peasants to share in the benefits of the development of their land. In the current Chinese “land management law,” there is no concept of “land development rights.” Thus, what is significant is that this right is implicitly recognized in Chongqing’s “land certificates” exchange market.” ---Zhiyuan Cui (2011)