

## **XIAOBO LU INTERVIEW**

**In this interview, writer and professor of political science, Xiaobo Lu, discusses communist reform in China.**

**Tell us what your affiliation is and about your book.**

I'm a Professor of Political Science at Columbia University. The recent book is called *Taxation Without Representation in Contemporary Rural China*.

**What was unique about Mao's approach to communism and how did the people react to it in the early days?**

Yeah. Mao was a true revolutionary. I think what he did was to mobilize millions of peasants to join the communist revolution. He declared that China finally stood up in 1949 when the People's Republic was formally established. I think Mao was unique in the sense that he was a true revolutionary. He did not believe in normalcy. He did not believe in routine. He disliked bureaucracy, unlike Stalin, unlike Lenin, and he emphasized very much on the connection between the officials, the communist cadres and the masses or the general public. Indeed, both looked greatly forward in the late 1950's and the Cultural Revolution in the 1960's, were a kind of a mass mobilization. And in a lot of ways, the Cultural Revolution in 1960's, the target actually was the communist cadres. So that's quite unique.

**How did his interpretation of communism play out as policy early on?**

As you know, the history of Chinese revolution, the communist revolution is such that it was launched in a very much of a Gregorian society. That is to say that in the 1930's – 40's, China remained very much a peasant society. Millions of people predominately were peasants and mostly were very poor. So Mao appealed to the peasants using communist ideology which has a strong component of egalitarianism. You know, in many peasant societies, through the entire world, egalitarianism always of very much of appeal to them. So, communist ideology has that appeal to peasants precisely because of that component. Under Mao's leadership, the Chinese communist party started in rural areas also, and Mao himself from a peasant family, although a rich peasant family at that but he's still from a rural area. [He] never went abroad. [He] studied locally and, in fact, he never went to university. [He was a] self-taught kind of man and so he relied very much on peasants and also he employed a strategy, again quite unique from Lenin, from Stalin, in that he started from the rural area, established bases and then eventually he circled the city and then took over the city.

So the revolution, it really started from the rural area and then eventually took over the city. So Chinese communist revolution was very much a peasant revolution and then after 1949, the society remained very much the same for many years. That is to say still very much a peasant society, a Gregorian economy and peasant society. Again Mao's egalitarian appeal still remained very strong in the early years of the revolution.

**Was there a bit of violence immediately after he took power?**

Well there was a land reform. You know, when we talk of peasants, peasants have different social status. You have the rich peasants, you have what is called in Chinese common jargon the middle and lower class peasants and you have very poor peasants. So, of course, those peasants without land, landless peasants, were very much in need of getting land and so there was this violent land reform that Mao mobilized. [He mobilized] the poor peasants vis-à-vis the rich peasants and that had some violence involved in the early years.

### **What happened when Mao tried to institute land reform?**

Also, as a new regime, the Chinese communist party was very much against the possible coming back of the old element so to speak. So they strongly believed that rich peasants or rich landlords were the supporters of the old regime. So once they established regime, they were very afraid that one of those landlords may somehow make a comeback along with the old regime. The Nationalists at that time [were] in position to retake the mainland. Also they wanted [the] sort of land reform to appeal to these millions of poor peasants who were the backbone in a sense of the Chinese communist revolution prior to 1949.

### **So what happened to some of those rich peasants and landlords?**

First of all you have mobilization, mass mobilization in the countryside and rich peasants were singled out, their land was taken [and] basically redistributed among poor peasants. Some of the rich peasants, rich landlords had a lot of problems [and] exploitation of the poor peasant. So now the poor peasant was on the side of the regime and once they were mobilized, you know, you can see that the people took revenge, vis-à-vis the, the rich the landlords. Some of them simply followed the party line and then many landlords ended [up] being executed by local officials or others suffered a pretty miserable life ever after.

### **What were the goals of the Great Leap Forward? What were its results?**

The Great Leap Forward was launched in the late-fifties, precisely early 1958. The background was that China was one of the major socialist countries. It was on a road to become a “communist society.” But China, by the late-fifties, the economy’s still very much an agrarian society, very much of an agrarian economy, very poor. And politically, China had just one campaign called the One Hundred Flowers Campaign during which many intellectuals, liberal intellectuals spoke freely, criticized the party even. So the party led by Mao felt that they were the party being attacked by the intellectuals. Mao especially felt that the old elements in society including that of intellectuals were not quite reformed yet.

Then there’s another background and that is internationally. The Chinese socialist camp is being attacked or weakened by the rebellion in Hungary and, there were already signs of this socialist camp to appear to be quite weakened. Mao also became very concern about that too internationally. The international sort of a situation was not favorable to the Chinese communist party.

And finally there were also this experiment of the Stalinist Soviet model in terms of governors. By the late-fifties, Mao got increasingly frustrated with this model which is mainly dominated by bureaucracy, and Mao felt that the bureaucrats were the source of

problem and not the solution. So he finally decided in the late-fifties to launch a mass campaign, mass mobilization to speed up the sort of the pace of change, pace of transformation from that sort of a capitalist economy because in the first number of years between 1949 and 1957 roughly, Chinese economy [was] still not completely socialist yet and [at] the same time the economy remained relatively poor. So on both ends, Mao felt that there is a need to speed up both the transformation and economy development. Hence he launched this Great Leap Forward, trying to leap rather than go on a normal speed, you know. He wanted to catch up with the West and at a very fast speed.

### **So speed was the main component of the Great Leap Forward?**

The Great Leap Forward has two major components. One is economic. The other is political. Regarding the economic component, Mao became increasingly frustrated with the speed of the economic transformation. That is to say that the Chinese economy, even after eight or nine years since the 1949 liberation, the economic system remained still very much a semi-capitalist economy not quite a socialist economy. So Mao became quite concerned. Now also Mao was concerned about the speed of economic development. By the late 1950's, China still remained very much a poor economy. So Mao wanted to speed up the economic growth and economic development.

Also there's a political concern. Mao, as he saw it, felt that the Chinese communist officials became increasingly bureaucratic and that is to him not good news because he felt that bureaucracy was a source of problem, not a solution. So he actually felt that there's a need to go outside of the bureaucracy, to mobilize the masses, I think, in order to reach that lofty goal of the rapid development to communism.

### **Did the Great Leap Forward produce the kind of economic consequences that Mao hoped it would?**

The Great Leap Forward actually ended in disaster. There were a number of reasons for that. Number one, Mao was a man of ideas and he believed in ideas. He thought as long as you have ideas, as long as you have brave ideas, courage that you can think of some great plan to leap forward, to jump, [then you can] have a fast speed of development. But obviously we know [that] is against nature, against, you know, human rationality.

Many of the policies implemented then were not rational. For example, in order to catch up with the West in terms of steel production, Mao thought one way to overcome the shortage of supply of iron that [was] needed for steel production, was by mobilizing the masses. China can find a way of producing ore. The way that it [worked] eventually was to appeal to the people to donate anything that made of iron including woks, which is, you know, one of the Chinese essentials in household. Household goods were donated to the steel making plants and some of them are actually the furnaces in the backyards. You can imagine the kind of steel they made or produced -- much of it could not be used. It's actually a kind of a waste. So that's one example of how this irrational policy to have rapid development failed.

Now another aspect of the failure is much more related to agricultural. There was also alongside with the industrial development or the industrial growth, Mao also emphasized on agricultural production. One way he thought of speeding up the agricultural growth was to plant it more densely. He believed by increasing density, planting density, you actually can produce more so to speak and again that's scientifically irrational. [It] did not really increase the production.

Now at the same time there was also the policy of collectivization and the collectivization ended in disaster also because by trying to eliminate the household cooking. Now everyone eats in what is called a community-dining hall. So nobody had to cook any more and this is supposed to be the communist way because family was regarded, at that time, at the height of the zeal, this revolutionary zeal as something of old society. New society, a communist society should not have a family any more. Everybody should just, you know, share what they have and in a way of living that is a communal communist life. And, indeed, there're many places in the countryside [where] the communal dining hall boomed but you can imagine that peasants who never had this kind of life [wanted] to eat in the dining hall as much as they could. At the same time, of course, there was a lot of waste and eventually, supply didn't last so to speak.

In 1959, there was also some drought, flood, a sort of natural disaster. [Together with] this human policy, that became a killer combo producing a disastrous result in which many people died of malnutrition and also many more people, millions I think, suffered from malnutrition even though they didn't die but there are a lot of people suffering in the city as well.

### **Talk about the backyard steel mills.**

The backyard steel mill was an effort to speed up steel production as a part of this lofty goal of catching up with the West. Now what they did was build up some furnaces in, literally in the backyards -- not in a private family but in a government compound or a commune's compound headquarters and they build them up. They're very simply technology. Many of them were actually just made of brick and of course, when you have a furnace, you need some of the materials to produce steel. One of them was iron ore. But then if you don't have enough iron, what'd you do because there is not enough supply of iron? So they mobilized the peasants or urban workers to go back home to find anything that's made of iron, including woks, cooking woks. As you know the cooking wok is one of the major essentials of a Chinese family but some of them in a revolutionary zeal actually donated woks to the backyard furnaces to try to produce steel but failed.

### **Why, exactly, didn't they work?**

It's scientific and irrational. You need a very high degree of fire to produce the heat. You need the materials. You needed some other chemical. Which again with the high speed of all this in fragmented efforts you simply don't have enough supplies and then you produce a bunch of rocks of waste.

### **How did Mao try to steer the country back on track?**

Toward the end of the Great Leap Forward, that is to say roughly around 1960s, already among the communist leadership there was some split. Some people like Mao still held this more radical view of how to reach socialism or communism in a more rapid way. Others like Liu Renjing and Deng Xiaoping, who are more pragmatic, thought that this kind of irrational policy had to be changed. So eventually, by the early 1960's, a rational wing of the communist leaders won and they persuaded Mao to stay on, to sort of retreat to more of a back binge so to speak. Other leaders like Liu Renjing and Deng Xiaoping came to the fore and they proved to be more of pragmatic leaders -- especially Deng. Deng was a very smart politician and he always proved to be very pragmatic. In the early 1960's with the entrenchment of the economy after the Great Leap Forward, he proved he was the one first to say, "Black cat, white cat, as long as it catches rat is a good cat." That was one of the early signals of Deng being a very pragmatic communist leader.

### **What was Deng's idea once Mao let him come in and try to steer the economy back on course?**

It was very clear to Deng that the irrational policy of the Great Leap Forward would not work. So some other formula had to be found to resurrect the economy and to continue the recovery and to push economy forward. One of the major policies at that time was the family contract system in its early incarnation in the countryside. And indeed in 1962, Deng [said] at one of the major meetings of the communist leaders that black cat, white cat, as long as it catches mice, it's good cat. So what this shows again is this remark was being repeated many, many times in the 1970's and 80's as a kind of theory to guide the Chinese to reform, which happened much later but that shows how pragmatic Deng was and that's one of the major, early, pragmatic policies he adopted.

### **What did his economic policies do?**

The family contract, or family responsibility system was that each family, each rural family, peasant family would sign a contract with the collective. At that time, of course, all China's agriculture was collectivized in early 1960s. But because the collectivization did not produce the result that leaders of China wanted, meaning the productivity did not increase and indeed the Great Leap Forward has shown that it failed in many ways. So Deng Xiaoping, when he became a sort of a major policy figure, he decide that this new policy sometimes called the family contract system, other times called the family responsibility system, worked better and in this system, families made contracts with the collective. Again the land still belong to the collective but the family would sign a contract, would be responsible to cultivate a certain piece of land and then produce certain amounts of grain by the year's end and hand it over as a part of that contract to the collective. The rest the family can keep.

So that's the basic tenant of the system. Indeed that system was later used again after the new reform started. The post Mao reform started in the 1970s.

### **How did the Cultural Revolution affect China?**

The Cultural Revolution was mass mobilization launched by Mao of the masses, vis-à-vis some of the power elites inside the party and that is quite unique. The Cultural Revolution also involves a kind of frontal attack on the old customs, traditional values

and cultural norms. Again launched by Mao because Mao seriously believed that even though the China's communist party was the ruling party and they had the power and they were trying to change the economy, they [had] they failed. They had failed to fundamentally change the Chinese society in terms of culture, in terms of values and norms. So Mao believed that to continue this revolution, that China had to change people's value, people's views of the world in the mold of socialism and communism and that's what the Cultural Revolution, at least as part of its intended consequences were.

### **During the Cultural Revolution, how were people treated?**

It depends on what kind of families, or what kind of social strata they belong to. For example, if someone is from a cadre family, sort of a part of the elite, then the likelihood of some sort of family suffering is quite high. Meaning that the political elite and cultural elite suffered the most. Now on the other hand, the families of workers and peasants and especially soldiers, military families, were actually the ones that, relatively speaking, did not suffer. They did not suffer as much as the elite families. So it depends on who you were at that time.

### **Why was Deng's ascension to the leadership in 1978 so significant in the story of socialism in China?**

At the end of Mao's rule, people got tired. People had become very wary about political struggles because by the end of Mao's rule, that is about roughly toward 1976, a political struggle, power struggle, political campaigns, mobilizations [and] violence really define the normal daily life. People got tired by then because the Cultural Revolution by then already had run out of steam and people wanted normalcy, people wanted good economy, people wanted sufficient supply of daily necessities. During the Cultural Revolution, one of the problems was that people simply didn't have enough -- not necessarily enough to eat but there was scarcity. It was the story of the day. So by the late 1970s, people got really tired and they wanted something better. And the Four Modernizations program was one of the appealing policies at that time and it indeed became one of the most appealing policies to millions of Chinese who had grown impatient with the situation then. So Deng's rise really filled a need, filled a blank in people's life and they really wanted a change.

### **Why was the Four Modernizations program put forward? Why was that significant?**

The significance in that lies in the fact that as I said, people did not want a continuation of mobilization, political struggles, class struggles and so on. They wanted a good life, economic change and indeed I think the communist party realized and Deng realized that the legitimacy. The regime really had been weakened because of this constant political mobilizations and violence associated with it. So people wanted some sort of economic performance. So I think it was very smart of Deng that he switched this attention to the foundation legitimacy from that of an ideology to that of an economic performance. I think was the appeal of the Four Modernization program in the late-seventies when the reform first started.

### **What was the importance of the political shift?**

The Four Modernization program was very important because it shifted the emphasis from political struggle and class struggle which were associated with violence to an economy performance. That is important to the communist party and also important to the people. To the communist party it offers an alternative of basis of legitimacy from that of ideology to that of economic performance. To the people, they had grown tired of this constant political struggle, violence and the constant scarcity in their routine life and they wanted something different. They wanted something new. They wanted change and I think that policy fit that kind of a need also.

### **What was China like when Deng came to power?**

The China that Deng inherited in the late 1970s was one of economic stagnation, of commercial scarcity, of wanting for change and of a society that really wants some normalcy because after years of chaotic class struggle and political mobilization, people really want some normalcy and they really wanted change. So economically, China remained at that time in a very stagnant stage. People's lives, even though there was not a whole lot of starvation, scarcity certainly defines routine life there.

### **What was it like for you personally?**

For example, you know, I went to college in the late-seventies. When I was at freshman year, I remember amazingly, still very vivid in my mind, when we went to the college dining hall our meals did not even have enough meat. You know, meat is part of the Chinese diet: pork, poultry, fish and so on. It was simply not there. I think I remember there was still rationing, a lot of rationing of food including meat. I recall that at that time, in the first year, I was a freshman and it was only twice a week we had meat. I mean we were young kids. We were still growing. Sometimes we had to ask [our] family to send us more money to go out to restaurant to eat meat. It was hard time so to speak. So a lot of food was rationed and that was the beginning of the end of the old time.

By my second year in college, things began to change dramatically. You can see a variety of food. And meat became no problem, you know, it's readily available. So, I really recall that era as a beginning of a new era. It really changed in front of my eyes. People knew that was because of reform.

### **What was the most important thing that Deng focused on changing?**

The most important thing in the early stage of Deng's leadership in the late-seventies, early-eighties was that he really shifted the power emphasis from ideology, from this sort of cultural transformation that Mao's so fixated with, to economic development and that is a strategic change. He ended class struggle. He declared that class struggle was no longer important and that economic development was. So that was quite a clear shift of policy and that is a strategic change and that changed history.

Also I think a major component of Deng's success is his being very pragmatic in implementing reform policies. He was very pragmatic. For example, the agricultural reform, it started at the grassroots level. It was not his policy to begin with although, as we know, in the 1960's he already experimented or had endorsed that but in the late-seventies after so many years of Maoism, starting that contract system or responsibility

system runs some risk. So he really came from below and he took that and endorsed it and then pushed it to the whole nation and that's how smart he is. And, many policies he later adopted were also very pragmatic. So pragmatism really defined his leadership.

**By 1982 something like 72% of the peasants had moved from the old commune system to this new personal responsibility system. What kind of affect did this have on China's economy?**

The early success of the Chinese economic reform under Deng was the success of agricultural reform or rural reform. It started with the de-collectivization, and with this family responsibility system. That, of course, liberated the urge or the incentive for peasants to produce more. Remember, the collective peasant system basically said "well whatever I do, I gain the same or I get the same, [so] why should I do more?" Now with the family responsibility system you essentially do it for yourself or produce for yourself because you can keep the amount [over] what you pay to the collective. So the incentive became so strong that agricultural production increased quite dramatically and peasants' income increased very rapidly in the first few years of the reform.

**Some countries, in making the transition from socialism, immediately privatized all their state industries. China didn't do this. It basically encouraged a non-state sector. How did that work?**

The last 20 years of Chinese reform really is defined by gradualism and defined by a kind of refusal to have outright privatization. Chinese economic reform embarked on what some scholars called "grow-out-of plan strategy" or path. That is to say instead of privatize, sell off all the state owned enterprises and actually encourage the private sector to grow simultaneously as they reformed the state owned enterprise. In fact, in [the] early stage in the first half of this twenty-two decade reform, roughly from the late 1970's to the late nineteen nineties, it really is the private sector increase or growth that was the defining story.

Now later on in the second stage, or deepening stage since the early 1990's, the state owned enterprises [was] also being reformed. They began to reform that enterprise but not by outright selling but by, for example, merging, closing and selling off. But it's not outright privatization as in Russia and other European countries.

**How did you feel the impact of these changes in your life?**

I would say my adult life really has been in all this two decades of reform. I was in college when the reform first started. I was a freshman actually when the reform started. At that time, getting an English book was very difficult even though I was an English major in college. It's very difficult, you know, very difficult to get a tape of English speaking or a video. At that time, of course, video wasn't even available. So, of course, going abroad was a dream. It was simply a dream. [At] that time remember China just began to open its doors. I actually had the first group of foreign teachers. Teachers from Canada, from North America, a family came from Toronto to teach English in my college and at that time, those were the first foreigners I've ever met. It was all new to me. Of course, going abroad to study, to visit, was simply a dream. It was not until the late 1980s and in fact, it was '85 [when] I first visited abroad. And then

in the mid eighties I also had an opportunity to come to United States to study, to pursue a Ph.D.

You see, my own adult life really reflects kind of change of China being transformed from an enclosed society, from a poor economy to a somewhat better off society in terms of economy and also to a very much open society in terms of interaction with the outside world. It's really a kind of manifestation of the success of the reform -- I have to say. And for that, I'm very grateful.

### **How did increased economic freedom in China lead to a demand for increasing political freedom and political reform?**

In the last two decades, Chinese communist regime has been able to maintain economic performance as a basis for legitimacy and has been quite successful at that. There was a time in the late eighties, as you know, 1989, student movements and so on. At that time, there was a time when this legitimacy was shaken and partly it's because of the high inflation. There was a period of time in the late-'80s, '86 to '87, '88 especially [when] inflation was very bad and people began to doubt whether the regime could do a good job in terms of economic development [and] economic growth. And also corruption was very bad too. So combined with high inflation, with the corruption, people obviously challenged, became very frustrated with the regime. Now after 1989, the reform did not stop. Interestingly Deng, again Deng Xiaoping came out in 1991 to restart the reform process and since then, actually, I think the reform actually progressed quite rapidly. By now, year 2003, I think the Chinese economy has grown very fast, very rapidly and Chinese society has changed also. It's no longer an enclosed society. Certain individual freedom is there although organized opposition's still very much of a no-no. But individual freedom is certainly much enlarged than say 20-years ago, even than I would say 15 or 10-years ago.

### **Why were students demonstrating at Tiananmen Square in 1989? What was going on?**

There are probably three fundamental reasons behind the student movement in 1989. Number one is the economy. You have high inflation which China never experienced before. Then you have rampant corruption among officials as part of this rapid economic reform. And thirdly, a kind of lack of freedom that students who very much want to enjoy, especially in the political arena. And that I think was the three fundamental reasons.

But then there were also some short term reasons. One is the funeral of one of the beloved liberal leaders, He Shuheng, who was smeared in the eyes of students by the leadership then.

### **So what specifically did the students want?**

The goals of student demonstrators sort of evolved over time in this 2-month time. In the beginning, the demand was very simple. The demand was focused on what they call rehabilitation of that leader, He Shuheng. Because in their eyes, he was smeared by the leaders, especially the conservatives, and they wanted to hear his name to be rehabilitated. But as the leaders refused to do so, the demand from students becomes hardened [and] the stance of student movement become hardened

and, later on there were demanding for more say in the process -- that is democracy, more opening in the transparency, in the policymaking process. They demanded more measures in controlling corruption and so on. So the demands of students evolved over time. So it's not a one fix from very beginning.

### **Discuss the aftermath of the Tiananmen Square incident?**

The movement, of course, ended in bloodshed. To this day, we do not know the exact numbers of people who died in the bloodshed. Some reports say there were thousands. Others say hundreds. Probably the truth is somewhere in between. A few thousands probably but we'll have to wait until someday the archives open up, and the leadership, willing or unwillingly, open up those files. Eventually, many students ran away. They had to. A small number of them were sent to jail. Others embarked on an exile. Many of them came to United States. The movement itself was suppressed, but the reform did not completely stop, fortunately.

There was a time, of course, [when] Chinese economy and Chinese reform faced a crossroad because internally, conservatives were in power and their opinion very much dominated the day. Internationally they were also sanctions and so on but by early 1991, Deng again made a very strategic decision -- openly endorse, rekindle or restart of the reform process. Indeed he actually stated that the reform cannot and should not stop. So he basically overcome the opposition from the conservatives and it gave green light to the more reformist wing of the Chinese leaders. So from then on the reforms continued.

### **Did he believe in the absolute power of the Chinese Communist Party until his death?**

It's interesting. Deng is a very complex figure. His stature in China's history will be examined and re-examined many, many times down the road. I think the main contribution he made to China is that he is the engineer of the reform and he made a contribution in that sense, that he launched the economy reform and he restarted reform when facing the crisis. I think China should be ever grateful to his leadership.

Now he's, as I said, ultimately a pragmatic leader. His end goal is not to dismantle the rule of the Chinese Communist Party. It never was. In his mind, he wanted to improve the legitimacy of the Chinese Communist Party, improve the regime. At the same time, of course, he did realize from the very beginning that the way of governing by the Communist leaders or by the Communist Party has to be changed, has to be reformed also. But the way he changed was very cautious. He never called for fundamental regime change. He never called for a real democratization in the sense of Western democracy. In fact he actually denied and rejected the idea of checks and balances on the grounds of efficiency. He said once, he met with some visitors from United States saying "we don't want checks and balances. We don't want a free branch of power because who makes decisions. When someone needs to make decision, who makes decision?" So to him, very clearly, you know, efficient governing is very important. So I think, if anything, he's economic reformer, but not real a political reformer.

### **Why did China's reforms go one way and the Soviet Union's go the other way?**

China and the Soviet Union obviously embarked on two distinctive paths of reforms. The Soviet Union, of course, started political reform at the outside of the reform and started economic reform with privatization. It is sometimes called “the cold turkey approach to reform” to Communist reform. The other one, the Chinese model, the Chinese strategy is one of gradualism, is one of economic reform first and then followed possibly by political reform. And as we have seen in the past two decades of experience with these two models of reform, we see some advantages, disadvantages, strengths and weaknesses of each reform.

The Chinese reform, it was able to keep stability, to keep low inflation, at least sort of keep people from suffering from rapid social economic change such as those caused by rapid privatization, But it failed. It has not really fundamentally changed the political system. The advantage of the Soviet system, of course, is that they had democratization at the outside and has really liberalized the government really democratized the political system. But has the downside. The serious downside of [the] Soviet model is that it created rapid social disintegration. It created a lot of difficulties for pensioners, for ordinary workers and even for civil servants. So the economy actually plummeted. It really suffered from negative growth for quite a few years. Although in recent, you know, last couple of years that it came back. But in general, it has that weakness.

### **When Deng Xiaoping died was China still a socialist country?**

That’s a very good question. When Deng died in 1997, China was already very much in what is called a market economy. Is it socialist or is it capitalist? It really depends on who you ask. If you ask the Chinese leaders, they will tell you it’s still a socialist market economy but if you ask ordinary citizens, they will tell what’s the difference between a market economy and capitalism except that capitalism is still the big C word. So far, they have been trying to use the word capitalism along with privatization. Instead they’ve been using the term socialist market economy but I think in essence, it is a capitalist economy and it is not only a capitalist economy, it’s really the early stage of capitalist development. That is to say that the market itself is very much in a rubber band kind capitalist economy.