Preface

Deng Xiaoping's economic strategy is widely regarded as a complete anathema to Mao's. This study argues, however, that without the material foundations laid by Mao over his 30-year reign, it would have been very difficult, in the first place, for Deng to launch his reform and open-door policy starting in 1979. Contrary to the popular view, we also argue that Deng basically shared Mao's aspiration and approach in pursuit of China's industrialization and modernization. More importantly, the common aspiration and Mao's material legacy, in particular, had indeed helped to condition Deng to the highly acclaimed 'gradualist' methodology in both domestic economic reform and China's opening to the outside world.

As a matter of fact, Deng's most celebrated, and indeed quite abrupt, open-door strategy may also be traced to Mao's drastic reorientation in foreign economic relations towards the West in the early 1960s (then mainly Western Europe and Japan), following the collapse of Sino-Soviet relations in 1961. More importantly, it was also Mao who personally initiated the 'ping pong' diplomacy in 1971–72 as a prelude to the rapprochement with the United States, which eventually led to the establishment of a formal diplomatic relationship and thus constituted the cornerstone for Deng to 'bring China back to the West'. Thus, as a contrarian view, we also argue that Mao was, *in situ*, not at all 'inward-looking', 'closed-door' or 'autarkic'-oriented, with a predilection for the philosophy of 'self-reliance', entirely ignorant of the technological advances made in the West, as many outside observers believe him to be.

Nevertheless, amidst the generally successful transformation from Soviet-style central planning into a market-based system and integrating with the world economy, Deng, globally branded as the great 'pragmatist', did lose patience at times and resorted to the colossal 'big bang' strategy. The disastrous attempt at an across-the-board price liberalization in 1988 is a good case in point. The political costs of the Tiananmen Square affairs that erupted in 1989 following rampant inflation, and the economic consequences (prolonged western sanction included) seem akin to the Great Leap Forward débâcle of 1958–60. Perhaps Deng, with his maverick flair for totally floating all prices in China overnight, was then also inspired by the favoured dictum of Mao, 'from great disorder to great order' (*you dahuan dao da zhi*). That is, both Mao and Deng seemed to subscribe to the

dialectic notion that great equilibrium would only come along with great chaos, in seeking a spectacular economic breakthrough for China.

The volume attempts to tell the other story about the economics of China's transition, by focusing on the interplay between the Mao and Deng factors on the road towards a 'socialist market economic system' with Chinese characteristics.

The study consists of 13 essays, of which 12 were written over the past two and half decades or so, the latest one in 2006. They are all grouped into three major subject categories. The first relates to the new agriculture policy programme of Deng, as it may bear on the supremacy of industrialization. The second deals with the new industrialization strategy itself, focusing on the fundamental economic constraints and the search post-Mao for a breakthrough in reforming the economic system. The third discusses the controversial open-door policy and the subsequent quest for WTO, hopefully without compromising the long-established basic premises of pursuing an independent, integrated industrial system for China.

The three main parts are preceded, however, by a lengthy discourse on the economics of Maoism versus Dengism, as it had strongly emerged during the Cultural Revolution. This helps to provide an overall analytical framework for interpreting the nature and scope of the economic policy controversy between Mao and Deng and is, indeed, instrumental in understanding not only the course of economic and institutional changes, but also a series of important practical policy measures adopted in China over the past three decades.

No doubt, as in the former Soviet Union, there has been a crucial link in China between the pursuit of industrialization and political authoritarianism throughout the reign of both Mao and Deng. This may be a matter of the Marxist–Leninist ideology, or sheer Chinese patriotism, but in our discourse 'no moral strings' whatsoever are attached as to whether Mao was *necessary* or not. We follow therefore Alec Nove's (1964) example in his *Was Stalin Really Necessary?* Perhaps ours may be considered as a *phenomenological* approach backed up by the philosophy of Edmund Husserl.

Most of the articles included in the present volume have been published in various journals, and acknowledgements for permission to make use of them are provided in each instance. However, to enhance coherency and 'homogeneity' of subject matter, many of the articles have been refocused, shortened or extended (some very extensively), and updated as appropriate. Many lengthy original notes on material sources are left out to keep the volume manageable as regards space. As a record of the living history at the time of writing, the 'present tense' is generally kept intact for the various articles.

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and
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Professor K. Paul Hensel