

**INSTEAD OF CAPITALISM VS. SOCIALISM: A PROPORTION-SEEKING REVIEW
OF TWO CONTEMPORARY APPROACHES IN CHINA AND RUSSIA***

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Abstract

Some people hold that the 20th century's Cold War was effectively between two super-systems, named 'capitalism' and 'socialism' and that the fall of the Berlin Wall and the end of the Soviet Union signified a practical and theoretical victory of one over the other. Others insist that democracy was present in various ways in both systems and suggest that the world financial crisis of 2007-2008 and current turbulent situation are making us rethink how 'victorious' one system actually was over the other and whether or not a better balance can be found between two extremes. This paper seeks a middle way by exploring the possibility of finding harmony between 'Eastern' and 'Western' ideas of democracy in the areas of politics, ideology and economics. It reviews recent works by two scholars, one from China, the other from Russia, and compares their observations as well as possible solutions they suggest at both the national and international levels. It focuses on the 'institutional matrix' as a potential unit of synthesis, aiming to achieve a proper proportion or golden ratio that can foster complimentary relations in the global village, taking us beyond a conflicting view of oppositional super-systems.

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1. Introduction

"The socialist system will eventually replace the capitalist system;
this is an objective law independent of man's will²."

Mao Tse-Tung

"The market came with the dawn of civilization and it is not an invention of capitalism. ...
If it leads to improving the well-being of the people there is no contradiction with socialism".³

Mikhail Gorbachev

This article is framed as a general comparison involving politics, ideology and economics instead of pitting capitalism and socialism against each other as mutually exclusive alternatives. This is done to take focus off a seemingly unwinnable competition between ideologies, such as was demonstrated in the so-called 'Cold War' of the second half of the 20th century⁴. Now that we live once again in a multi-polar world without a single 'superpower,' the plan is to frame the conversation in a way that more Chinese, Russian and other 'non-western' citizens in the global villa-

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² "Speech at the Meeting of the Supreme Soviet of the U.S.S.R. in Celebration of the 40th Anniversary of the Great October Socialist Revolution, November 6, 1957. (In Mao Tse-Tung, Chinese-English bilingual edition, 1966: p. 47)

³ As quoted in *The Guardian*, London, June 21, 1990.

⁴ Although some people would argue that the Cold War will not be over as long as the two Koreas are disunited.

ge can identify with several key themes that will enhance their participation in a 'dialogue of civilisations'⁵ (H. Köchler and M. Khatami).

There are many more questions raised in this article than are answered. The article will briefly touch on capitalism and socialism, but also make an attempt to move beyond them as a way of fuelling discourse that involves the practical topic of actual institutions and the various proportions they display in China, Russia and elsewhere. If, as János Kornai concludes, "the 20th century has not given rise to a distinctive third system" (2000: 28), then what remains is to consider ways of balancing and combining capitalism and socialism in respectively sovereign nation-states in the international community. Rather than outright dismissing either capitalism or socialism or of unequivocally embracing one or both of them, this paper looks at the possibility of moving beyond the antagonism between capitalism and socialism as 18th, 19th and/or 20th century ideologies that are losing influence today. The aim of this paper is to improve our understanding of the general 'laws' or principles of institutional social-cultural development and to explore an alternative (cf. heterodox economics) solution than the so-called 'Washington consensus,' which some view as 'orthodox' in the West.

For this purpose, a comparison is made of two contemporary views of politics, ideology and economics by a Chinese philosopher and a Russian economic-social scientist. One is the Director of Studies in the History of Marxist Philosophy at the Philosophy Institute of the Chinese Academy of Social Sciences, and Vice-Director of the Chinese Society for the History of Marxist Philosophy Studies. The other is from the Novosibirsk Economic-Sociological School and currently head of a sector on Social and Economic Systems at the Institute of Economics at the Russian Academy of Sciences, Moscow. The bases of research for this article are the book *Rethinking China's Economic Transformation* (2010) by Dr. Wei Xiaoping and two books by Dr. Svetlana Kirdina on her Institutional Matrices Theory (2001, 2004), along with several journal articles, and presentations given (2008-2012) at various international conferences, including New Delhi, India, Gothenburg, Sweden, Kraków, Poland, Houston, USA, and Shanghai and Beijing, China.

Let me start with a kind of confession by Dr. Wei in her book: "Western Marxist research attracts Chinese Marxist scholars." (2010: 177) This provokes me to participate in conversation with Chinese scholarship as a Canadian social scientist, even though I do not self-identify as a 'Western Marxist.' What interests me greatly is that Wei says, "China has made a historical transition from a centrally planned economy to a market economy with a Chinese character." (Ibid) My aim in this paper is therefore to explore this transition both as it is influenced by Karl Marx and as it goes beyond the horizons of his views.

The first section of this article will look at Wei's vision of political, ideological and economic history and transformation in China. In her book, Wei calls for us to rethink the negative and positive 'spectres' of both capitalism and Marxism (2010: 187). This approach is supplemented by Kirdina's, which involves elements of a post-neo-classical, neo-Marxian systems approach that helps to explain how markets are necessary and inevitable in all societies, but that in some nation-states the role of markets is circumscribed heavily according to distributive (Polanyi 1977) and communally-oriented principles. This exploration constitutes the second section of the article.

The third section features the article's conclusion, which briefly explores the thread that holds the paper together. This is the notion of continually seeking to find a healthy 'proportion' (cf. ideal ratio) in the way we build and manage our national, social, economic and cultural systems. The quest for proper proportionality means aiming to tackle and perhaps sometimes to solve problems of excess and deficiency in given areas of political, ideological and economic development. With these macro-sociological goals outlined, we can now move forward to look at the works of two authors from China and Russia and their unique scholarly approaches.

⁵ "In order to understand the meaning of the phrase 'dialogue among civilizations' as defined here, one has no choice but to closely pay attention to a number of points one of which is the relationship between a politician and an artist, and the other is the relationship between ethics and politics." – Mohammad Khatami (UNESCO 1999)

2. Wei Xiaoping and the Economic Transformation in China

Dr. Wei Xiaoping's book is a collection of papers (2001-2010) for a series on the 'globalization of knowledge' (Global Scholarly Publications) that provides a basic historical survey of China's economic and political reforms. The lesson starts from Stage 1, which is 1978 to 1992, in which "the main characteristic of this stage was the introduction of contract responsibility" (2010: 30), following the prior socialist opening and reforms from the 1960's that combined reward with contribution and market with central planning. (2010: 1) From Stage 2, 1992 to present, Wei says that "The main characteristics of this stage are the introduction of a market system and the regulating of productivity in enterprises through market information." (Ibid) "China set up its socialist system in 1956," Wei reminds us, "seven years after the success of the (1949) revolution." (2010: 130) Whatever side of the 'success' one finds themselves on, continued focus both on the ideology of 'socialism' and on China's new 'market system' are parallel central themes throughout the book.

Wei is openly reflexive in confronting both the strengths and weaknesses in China's political, ideological and economic system. "China's socialist economic reform has brought about many serious problems to its essence as a socialist system," she admits. "Although the essence of socialism is an obscure concept, community, equality, justice, the absence of class difference, and no exploitation are normally accepted by most Marxists." (2010: 18) Thus, Wei continues in the post-Maoist Chinese tradition of aiming to steadily improve the People's Republican system following the principles of Marxism, at the same time that scholarly criticism and constructive viewpoints from abroad are also welcomed.

We are reminded of the words of Deng Xiaoping (no family relation to Wei Xiaoping), that "Planning and the market are only economic methods. The essence of socialism is to liberate production, develop production, eliminate exploitation, eliminate great differences, and to eventually reach the aim of wealth for all." (quoted in 2010: 11) The same spirit of egalitarian, anti-exploitative national development is represented in Wei's *Rethinking China's Economic Transformation*. Nevertheless, 'wealth for all' is something that is becoming less realistic in China, much like in many countries around the world today, when looking at actual income and resource inequalities⁶.

The common strategy for the past 34 years in China (since 1978) has been to promote the ideology of socialism, community development and nationalism. "In all socialist countries, extreme equal distribution was inspired by an equalitarian ethos," writes Wei. However, acknowledging the risks of this approach, she admits that "The equalitarian distribution froze economic motivation on the individual level; the allocation of natural resources, without considering its price, resulted in economic inefficiency. Compared with capitalist countries, the hesitating economic development could be seen clearly." (2010: 130) This is a crucial aspect of the dilemma that inspires interest in the Chinese system's development today.

So, how can Chinese administrators, scholars and planners work together to overcome the challenges of transformation that the country is facing in the 21st century, while being cooperative, responsible and harmonious citizens in the international community? To look at this, let us consider three areas that are 'rethought' in Wei's book.

A. Politics – Property, Governance and International Relations

As French historian Fernand Braudel wrote, "The worst error of all is to suppose that capitalism is simply an 'economic system,' whereas in fact it lives off the social order, standing almost on a footing with the state, whether as adversary or accomplice⁷." This is the approach I

⁶ China and Russia both score about 42 points on the GINI coefficient, placing them in the 'high inequality' category in the international community

⁷ *Civilisation and Capitalism*, Vol. 3 (1979)

take here in looking at the political influence both on and from the economic and social system in China today. The same could be said that it would be an error to suppose that socialism is only a political system because it inevitably impacts the economy and peoples' ideology as well.

Wei contends that "what we can call a socialist market economy with a Chinese characteristic has achieved great success, or at least great success in economic development. In this respect, it is fair to say that China has developed better than other socialist countries." (2010: 76) This is a generally accepted perspective for both Western and non-Western scholars, based on China's recent and current economic development trajectory. However, Wei recognizes another side to the story, saying that "socialist propaganda has become more and more distant from the practical lives of the ordinary people." (2010: 62) In other words, the influence of socialism as a political principle has weakened ideologically in the face of globalising pressures, including the increasing use of the Internet and the local realities of market forces.

On the political level there are still differences of opinion expressed regarding China's development pathway and its democratic principles in relation to outside influences. For example, Wei describes the "Western model of democracy" as "a bourgeois democracy based on money." (2010: 24) Yet today the language of political, ideological and economic 'elites' is more common than to speak of 'bourgeoisie' (or 'proletariat') which is considered an outdated Marxian term in the West. These elites can be found in various fields such as government, technology, science, media, military, material resources exploitation and conservation, construction, engineering, innovation, design, sports, music, filmmaking, fashion, acting, the arts and big business. Nevertheless, it makes sense that Wei at least partially defines Chinese national identity according to what they are not; i.e. Chinese are not 'Westerners,' but 'Easterners,' whose democratic humanitarian values are not based primarily on money.

Wei speaks of a "modified market economy, understood as private economy" (2010: 76) and adds cautiously that "No one is responsible for public property, and therefore the transformation of public property into the hands of individuals is inevitable." (2010: 10) This marks a significant concession that China is not entirely against capitalism if capitalism is simply viewed as private individual participation in markets. Some have even spoken of China's 'capitalist market reforms' (e.g. Wang 2002, Fan et al. 2011). However, a full embrace of market-dominated capitalism is not acceptable to most Chinese people because of the way it potentially undermines communal political understanding and the sense of belonging to a united, collective nationality.

Here Wei is at her best and most persuasive, as she argues that Chinese people do not wish to suffer from isolation or anomie in their communities and society. "The phenomenon of alienation criticized by Marx has intruded further into people's spiritual life," she says, "which means the basic alienation deriving from the fact that, as Marx pointed out, the worker's production is confiscated by the capitalist, now has acquired an even wider sense. The most disputed point is perhaps what concerns the concept of exploitation." (2010: 187) Indeed, this is a feature of the Marxian cannon that perhaps surprisingly many Westerners have also come to embrace as a sociological observation. The reality of alienation and exploitation brought by capitalist modes of production and the resultant social stratification can be draining on the politics of identity and the search for justice in the spiritual lives of people and communities.

In part as a response to alienation, exploitation and anomie, what we can draw on from Wei's analysis is that every modern nation-state or country has a degree of 'central planning' in so far as it has a capital city and a government situated there, with buildings, bureaucracy and budgets, etc. Democratic societies all have elected or unelected representative figures that are gathered in national parliaments, congresses, senates or *dumas* and that are engaged in legislative and executive powers on behalf of the nation. Without this, there could be no argument for central planning or a minimum 'central point' placement of political power that is elected or appointed into an individual leader's hands/heart, with the help of a surrounding 'cast' of people of various qualities, types, backgrounds, experiences, capabilities, etc. to lead the community, group or nation.

What should be encouraging to Western readers of Wei's book is that she speaks of positive globalising developments in China's commitment to and participation in the international community as it also deals with local and regional challenges. "China's political reform should be aimed to push the world, both domestically and world-wide," states Wei, "toward equal, just, peaceful, and humanitarian progress." (2010: 39) This shows how greatly Chinese principles differ from those of a nation such as North Korea (DPRK) with its *Juche* policy of self-reliance, seclusion and autonomy. Rather than manifesting itself in self-isolation and belligerency toward the international community using threats of nuclear weapons, current Chinese scholarship like Wei's takes a more positive, globalising notion of sovereignty, self-responsibility and awareness of partnerships with other nations in its quest for sustainable political, ideological and economic development.

B. Ideology – Marxism and Post-Marxism with Chinese Characteristics

The debate over Karl Marx's legacy and Marxism is a long-standing one, which cuts across the East-West and North-South divisions in the Cold War and into the contemporary situation. It is one major aspect involved in the conversation about ideologies that features in Wei's book and cannot be resolved simply by being pro-Marxist or anti-Marxist. This is because Marxism has taken on so many different meanings and masks, that those who have not read the primary sources and only hear about Marxian thought second-hand often get lost or confused. One of the main questions involved here seems to be: How can governments convince and rally their peoples to both pursue their own individual talents and vocations and at the same time to sacrifice part of their accomplishments and earnings for the sake of communal living and ideological belongingness? Marx is one of many scholars and social scientists who have offered an answer to this question and whether or not he did it the best is up for contention.

Wei's approach does not deviate far from the historical pathway in which China has embraced Marx's ideas, both as a critique of capitalism and as a socially conscious way to build a potentially harmonious and productive nation-state for the future. The main governing ideology in China is still Marxism and the socialism that develops from it. "Marxism is the dominant ideology of Chinese reform" (2010: 185), confirms Wei. Elsewhere she states that, "China [is] a country which has been, and still is, guided by its understanding of Marx's theory of historical materialism." (2010: 57) One gets the impression, however, that these are not merely scripted 'party-line' confessions, but rather that they are expressed with a critical and explorative attitude that looks to expand Chinese understandings beyond the confines and necessary limitations of Marxism and even materialism into a new social future.

Wei looks at various ways to interpret Marx in the 21st century. She cites the book "Go Back to Marx" (Zhang Yibing, 1999) and remarks on calls by some to "go away from Marx" or even to "say 'goodbye' to Marx" (2010: 89). In this sense, Wei reveals a unique mode of exploration both in regard to how Western scholars have interpreted Marx, e.g. in light of the failure and breakup of the Soviet Union, as well as what it means to China that Marx's (and later Lenin's) ideas originated in a 'Western' framework and came to penetrate China from outside. The many years of Marxist thought within China have combined to create the well-known '(market) socialism with Chinese characteristics.' Nevertheless, at some point Chinese scholars and civil society may finally wish to stop identifying themselves with Marx's school of thought and instead embrace their own alternative version of socialism. The opportunity now seems to be discovering how China has moved beyond the reach of Marxist ideology into a home-grown socialism without Marxism. However, at this point let me remind the reader of my own non-Marxist proclivities and thus this may be a fanciful misreading of Wei's visions.

In a brief overview of recent alternative Chinese approaches to Marx, Wei defines 'rethinking Marxism' as meaning "to rethink the general theory of Marx by reading the texts of Marx from an independent but critical perspective." (2010: 181) This is where cooperation and discussion with Western scholars who have for many years looked at Marx's ideas critically and outside of an 'official state ideology' is important. Similarly, she defines 'after Marxism' as trying "to re-

understand Marx from the text of Marx and to revive the critical spirit of Marx.” (2010: 183) Additionally, for Wei, ‘post-Marxism’ as an ideology “is mainly connected with so-called post-modernization in the situation of post-industrialization,” and she notes that “‘post-Marxism’ is spreading in China’s Marxist research area” (2010: 183), but likewise that it “is a very confusing concept.” (2010: 178)

Where things are not clear for me, however, is how ‘after Marxism’ or ‘post-Marxism’ could be promoted successfully in China if students and scholars must always, at the end of the day, ‘return to Marx’ according to the state education system that still teaches Marx’s 19th century ideas and texts as guides for progress and development in the 21st century. Wouldn’t going forward or truly moving ‘beyond Marx’ or ‘post-Marx’ in China mean looking instead toward other figures and schools of thought than Marxism that might offer a more appealing solution?

This train of thought raises several questions: Can socialism or a socially responsible institutional system that is appropriate for China be built and managed aside from ideological affiliation with the Marxian school? What about Joseph Schumpeter, Karl Polanyi or János Kornai, scholars from Eastern Europe who were less ‘Western’ than Marx? What about Manuel Castells who was once a Marxist, but who out-grew Marx in his attempt in the electronic-information age to understand networks (rather than only ‘classes’) and other late 20th and early 21st century themes? What about Eastern thinkers, including Russians, Koreans and others, who were raised and/or educated in the Marxian school, but have since chosen an alternative developmental scholarly pathway?

What if, for example, Korean-born Cambridge economist Ha-Joon Chang’s book *Kicking Away the Ladder* (2002) can serve as a strategic signpost for Western and Eastern ideological collaborative self-understandings? Or what about *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty* (2011) by Abhijit Vinayak Banerjee and Esther Duflo? What if they can open a new dialogue in terms of institutions, systems, power relationships, ideological manoeuvring, and other features of the new global economy and politics, including studies of the ‘extensions of humankind’ proposed by the ‘sage of the wired age,’ media, technology and culture theorist Marshall McLuhan (cf. Sandstrom 2010, 2011)? My concern with Wei’s approach is that it does not appear ready or willing to cut itself entirely free from Marxism as an ideology, perhaps because of its materialistic foundations or because of the perceived strength of Western Marxian thought.

Wei draws two main conclusions from Marx: 1) “the mode of production of material life controls the entire process of social life, political life and spiritual life,” and 2) “human existence influences human consciousness” (2010: 158). This feature of Wei’s text is inspiring because it speaks of integration of moral principles and a common Chinese work ethic based not on material incentives alone. Thus, Wei speaks of the importance of “the activity of men, both spiritual activity and physical activity in their relations to the objectified world.” (2010: 162) Indeed, this seems to serve as an important and strategic break from Marxist ideology in so far as it recognises that “the problem lies in subjectivity, not only in the level of productive forces.” (2010: 169)

Likewise, Marx would likely not have warmed to Wei’s talk of ‘the spirit of Marx’ given his loathing of the ‘aroma of religion⁸.’ But this may turn into a larger topic for conversation in today’s China, where human rights (both individual and collective) are closely associated with spiritual freedom. When Nietzsche noted that “Darwin forgot the spirit” he was not thinking in particular about China. Nevertheless, it may be possible that in China some kind of fresh, inspiring, non-Western dialogue of development will emerge that encourages people to re-humanize their communities with a new institutional approach and to protect their environment by working through political, ideological and economic instruments.

⁸ “Communism abolishes eternal truths, it abolishes all religion and morality, instead of constituting them on a new basis; it therefore acts as a contradiction to all past historical experience.” – Marx and Engels (Comm. Manifesto) and “The *human being* possesses no true reality. The struggle against religion is, therefore, indirectly a struggle against *that world* whose spiritual *aroma* is religion.” – Marx (“Religion, the Opium of the People.” 1844)

Though Wei's book gives little attention to the Left/Right or Liberal/Conservative political spectrum in China, nevertheless she speaks of the ideology of Liberalism, saying that "The principles of Liberalism are the propositions, interpretation, and even defense of capitalism. Its opposite theory is Marxism, which has developed by criticizing capitalism and proposing an alternative model - socialism." (2010: 128) Since we've seen an actual if limited embrace of markets in China, this critique of capitalism falls short of providing a legitimate non-Marxist alternative. Indeed, Wei notes that "the market was refused by Marx for the period of socialism. But now even most Marxist scholars agree that some form of market is necessary for economic activity." (2010: 186) What are we left to conclude then, but that Chinese people generally do not wish to submit their souls solely to the market and that they seek higher principles than what capital and capitalism alone can promise them? This suggests some kind of Conservatism of the social structure in China is desired in the face of 'Western' (neo-)Liberalist tendencies.

"In fact," says Wei, "'desire' reflects the material needs of human beings in their relation to the outside world through the relation between spirit and body." (2010: 148) This non-Marxian or post-Marxian approach identifies a collaboration of views that unifies mind, body and spirit instead of separating and dividing them in individual persons and in society. However, Wei also notes "the spiritual activity of human beings is contained within real society" (2010: 156). This is a reminder that historical materialist ideology does not provide a satisfactory vocabulary when speaking about information, mind or spirit and other such things that most human beings assume is either completely or at least partially non-material.

As for me, I don't consider 'historical materialism' to be a 'law' of (social) history as Marx did. I view it rather as a personally chosen ideology of history; a way of looking at history materialistically, which by definition ignores or obscures many non-material factors, some of which Xiaoqing has helpfully identified in her book. Indeed, the general meaning of the so-called 'electronic-information age' seems to take us beyond the materialistic contribution Marx made and to require new language suitable for people today. This is a major factor in my overall rejection of Marxism, both Western and Eastern (or non-Western), while there are nevertheless several features of Marxian thought that are both important and fascinating and that can stimulate new discussions, even his politics and economics.

C. Economics – Motivation, Incentives, Self-Interest and Reciprocity

The economic theories promoted by Marx have already led to countless volumes of speech and writing by scholars around the world. Many of his economic ideas have been thoroughly discredited and the rejection of private property feature of his work is widely seen as impractical or utopian. Nevertheless, Wei raises some provocative features of Marx's economic approach, in light of the Chinese situation today, which are worth considering here.

Typical in the Marxian approach is the notion that "what actually motivates people to work is basically nothing more than the perception of their material needs." (2010: 62) Thus, Wei confirms that "the basic underlying motivation of production still consists in satisfying material needs." (2010: 64) Yet, along with this recognition comes new developments from the East: "Marx's idea of distribution changing from a person's effort to a person's needs is replaced by today's China," claims Wei. This signifies "a system centered on distribution and the combination of ability, effort, investment, and needs simultaneously." (2010: 124)

Wei notes what she calls "two different forms of social being," the notions of self-interest (cf. focus on 'I') and reciprocity (cf. focus on 'We'). "If people can extend their rights from themselves to goods outside themselves," she notes, "then they can further extend their rights from goods to another person." Yet at the same time, "When the principle of self-interest intrudes into the relation between individuals, it manifests itself as selfishness." (2010: 69) The major challenge then for those societies that place individual rights above collective rights is to find a way to propose alternative incentives that can guard against the selfishness that seems inevitably to accompany the (imbalanced) hyper-capitalist system.

Thus, on the one hand, Wei speaks of socialist enthusiasm, while on the other claiming that “individual self-interest [that] does not provide a sufficient incentive to incite individuals to work to the best of their ability.” (2010: 74) She expresses this clearly in saying that “self-interest cannot guarantee that people work hard.” (2010: 75) What is needed then is more focus on collective or communal incentives along with commitment to social responsibility and connectedness as a means of promoting social cohesion, instead of isolation and anomie.

The cooperative rather than the competitive character of Eastern or communal-oriented societies is demonstrated in relations between people rather than relations between people and goods. In this light, Wei speaks about what “one can call ‘generosity’ [that] exists in the relation among people.” (2010: 75) This stems partly from Marx’s refusal to turn people into resources and commodities, and also from the values and wisdom in the Chinese tradition that seeks balance in a huge population with natural self-interests. “In general,” says Wei, “the theoretical problem confronting China as it undertakes socialist economic reform is this: how best to link self-interest to community interests, while at the same time avoiding, or at least impeding meaningful separation between workers and the means of production.” (2010: 77) Thus, while Wei continues the traditional call for egalitarian ownership rather than stratified culture, she also recognises that many pressures are facing contemporary China as markets grow and profits and products expand to penetrate more facets of Chinese society⁹.

Overall, Wei is promoting a unitary view of society and state, where “Instead of social division, there can be social community...Considering this, the prospects of China depend on how willingly it accepts socialism with market characteristics, limits the side effects of the market, and – most importantly – explores new ways of practice on the road of progress. It cannot simply follow the Western model – even in a sense of compression.” (2010: 125) This quotation in particular ties together effectively with what Kirdina has to say below.

One of the ways Wei remains in the old Marxian paradigm from the 19th century is when she idealises the possibility that “exploitation would be extinguished with the ending of private ownership.” (2010: 130) If we are frank and honest we can admit that exploitation would also occur even with total public ownership due to inescapably imperfect relationships between people and with nature. What seems to be essential is forging a new view of reciprocity as an economic value, based on altruism and community needs instead of egoism and self-interests.

An alternative, forward-looking perspective from Wei shows that “the second historical transition has not only challenged the ideology of Marx on the meaning of freedom, justice and equality, but also challenged Marx’s meaning of production relations.” (2010: 132) Indeed, it may be that it is almost time China moved beyond Marxian thought regarding people, labour, resources, production and consumption to a new integral social development theory of its own. This would mean a Chinese approach to politics, ideology and economics that didn’t enter from outside, but rather that grew organically from within, incorporating the best that the international community has to offer.

3. Closing thoughts on Rethinking China’s Economic Transformation

There are some theoretical points on which I am unclear in Wei’s book, especially the distinction she makes between ‘natural relationships’ and ‘social relationships’ and between the ‘rational’ and ‘irrational’ elements of consciousness¹⁰. On the one hand, I support the distinction between ‘natural’ and ‘social’ as being very important. While on the other hand, I believe that much more thoughtful and penetrating work has been done outside of the Marxian tradition than inside it on this topic.

⁹ Fan, et al. suggest up to 70% of China’s GDP comes from the private sector (2011: 1).

¹⁰ These are both addressed further in Xiaoping 2010c, though I am not convinced that taking a materialistic approach to these topics is the best way to approach them.

Likewise, I would like to hear more about the similarities and differences between (outsider) Marxian theories applied in China and the development of unique (insider) Chinese contributions to Marxian and non- or post-Marxian theories. In what ways has Chinese scholarship liberated itself from some of the less savoury aspects of Marx's theories and ideas, such as revolutionary conflict and loss of personal meaning in a materialistic world? As Wei says (2010b), China's partial embrace of markets¹¹ places it in a position that Marx criticised, thus a 'return to Marx' might not be the best solution to contemporary problems.

If the term 'capitalism' continues to be unavoidably associated with 'exploitation,' not only in China, but also in many other places around the world, there will continually need to be a 'buffer zone' or a place for 'over-lapping' dialogue using terms from non-capitalistic national systems, whether it be socialism, social democracy, democratic, planned or managed capitalisms (cf. Russian system) or even profit-friendly, market-friendly or private property-friendly socialisms. 'Capitalism with Chinese characteristics' still doesn't seem to be a popular way to speak about the inclusion of markets in China, although some writers have used this term (Huang 2008). Since 'exploitation' happens in all varieties of political-economic systems, it is utopian to suggest that the only system that suffers from exploitation is capitalism. This is largely why the non-utopian proportional approach is instead suggested below, which is presented through the work of Svetlana Kirdina.

4. Svetlana Kirdina and Institutional Matrices Theory as a Post-Soviet Contribution

This section examines the Institutional Matrices Theory (IMT) by Dr. Svetlana Kirdina as a possible mediator in dialogue between Western and Eastern models of society, politics and economics. It is offered as a way to help provide context and balance for the transformation and reforms that Wei is proposing in China. Kirdina was trained in her native Novosibirsk, under the direction of the acclaimed scholar Tatiana Zaslavskaya, who is generally known as a theoretician of perestroika (rebuilding). Zaslavskaya challenged the 'economism' of the Marxist approach in the USSR, which is evident in the leaked 'Novosibirsk Report' (1983-84) that criticised the Soviet forces and relations of production. Her leadership led to the development of a unique school of economic sociology in Novosibirsk that explores both Marxian, non-Marxian and post-Marxian approaches, which is unique to the Russian Federation.

I came into contact with Kirdina and her approach in 2008 at the Russian Academy of Sciences in St. Petersburg and have been fascinated by her scholarship and charisma ever since. The Academy structure in Russia is similar to the education and research system in China where Wei is likewise employed. The Academy structure distinguishes itself from universities, the latter which often focus mainly on teaching. In both Russia and China, the research branch of knowledge production and consumption takes place in the Academy of Sciences.

Working in the Academy of Sciences in the fields of economics and sociology, Kirdina has produced a frankly astonishing and provocative theory about contemporary society that enables her to pose and oftentimes to answer questions about what differentiates Russian institutions from Western ones. Likewise, it explains why Western scholars, particularly economists, who flooded into Russia in the 1990's did not meet with the successes that they perhaps expected in helping to move Russia toward neo-liberal capitalism based on Western models. Her theory has been referenced in over 200 publications in scholarly journals and books¹² and is taught in many higher education courses and programs throughout Russia.

"Human society," says Kirdina, "is seen as a system, as multiple inter-related social systems, within the main 'sociological co-ordinates' of *economics*, *politics* and *ideology*. These human-social spheres are strongly interrelated morphologically, as parts or sides or components of one complete whole, made up of spheres, lines, triangles, squares and other shapes of relations

¹¹ "China is not embracing free markets as presented in Western economics textbooks." – Fan, et al. (2011: 3)

¹² http://kirdina.ru/index.php?option=com_content&view=article&id=166&Itemid=48&lang=ru

among people and things.” (2012a) This broad approach involving three main coordinates is designed to be more integrative and interdisciplinary than most Western economic theories, which allows Kirdina to present a holistic Eastern vision of systematic institutional change and transformation that is often left out of more narrowly focussed Western theories. It is a systems paradigm (A. Bogdanov, L. von Bertalanffy, N. Weiner, et al.) that provides the basis for her IMT, supported by the notion of an ‘institutional matrix’ from Douglass North: “The economies of scope, complementarities, and network externalities of an institutional matrix make institutional changes overwhelmingly incremental and path dependent.” (1993)

IMT (Kirdina 2001, 2004) was created to fill a gap in inter-cultural communication between Westerners and Russians. “According to this theory,” says Kirdina, “an X-matrix, formed by institutions with a *redistributive economy*, a *unitary political order* and a *communitarian ideology*, prevails in Russia and China, along with most Asian and Latin American countries. A Y-matrix, formed by institutions with a *market economy*, a *federative political order* and an *ideology of subsidiarity*, prevails in North America and Europe. In globalizing societies, both X- and Y-matrices interact, with one of them permanently prevailing. The prevailing matrix defines the performance framework for proportional development of political-economic-ideological institutions complementing the other matrix.” (2012a) It is crucial to note up-front from this brief abstract of IMT that Kirdina’s system paradigm does not proclaim mutual exclusivity of X- and Y-Matrices. Instead, both X- and Y-Matrices are necessarily present in *all* globalizing societies, meaning that the challenge is how to find the right institutional balance and to seek to move towards a harmonious proportion for a given society or nation-state.

IMT is based on a collaborative macro-structural approach, inspired by the ideas of August Comte, Karl Marx, Joseph Schumpeter, Pitirim Sorokin, Karl Polanyi, Douglass North, Harvey Leibenstein, Olga Bessonova and Alexander Akhiezer. In contrast to the Classical, Neo-Classical and Austrian economics schools, Kirdina promotes the Marxian school, in combination with a systems paradigm, placing the focus on contemporary institutions. “Institutions are the result of social practices and depend on the manner in which humans collectively produce the means to life,” says Kirdina (2012a). The history of societies is “presented as a process of institutional modernization,” (ibid) wherein a society seeks to balance its institutional development based on both interior and exterior stresses, events and pressures according to the three main coordinates of politics, ideology and economics.

A. Politics – Democracy in the Shadow of the Soviet

For Kirdina, the political sphere is defined by “interrelations for regular and organized public and civil society actions that aim to achieve defined local, regional or national objectives.” (2012) According to her theory, Russia’s power structure (which is by implication similar to China’s, both as X-Matrix nations) constitutes an ‘administrative’ system where the main feedback loops in communication occur through upward appeals in the levels of governmental authority. This echoes the idea that the government controls the ‘commanding heights’ (V.I. Lenin) of the economy, e.g. electricity, heavy manufacturing, transportation, mining and natural resources, as well as promoting a central message of public or civil society ideology.

One of the keys to Kirdina’s IMT, which helps to explain the different system in Russia compared with Western countries is the institution of ownership¹³, which is a legal status conferred by the state. In recent years, ‘state corporations’ (or ‘state-owned enterprises’ – SOE’s) have been growing again in Russia, turning away from the privatisation priorities of the early-mid 1990s. Likewise, national projects that operate under federal governance and with a federal budget, including those in the realms of education, housing, public health and agriculture, are

¹³ As Kirdina wrote in her paper for Chinese Academy of Sciences, “Economies differ from each other first of all by differences in their ownership system. For Marx, the *ownership system is the most important institution* that defines the specificity of the whole economic, political and social structure.” (2012a)

becoming more widespread (Kirdina 2010). According to Kirdina's theory, these changes symbolise a correction to the system, to a more familiar-historical ownership structure that was imbalanced¹⁴ by privatisation, loans-for-shares and 'shock therapy' of Western advisors.

When it comes to unity or separation of powers in a government, there is a major difference between those countries that stress nation-wide distribution of power and those that embrace a strong unitary authority in the nation's capital city. Much depends on the size of the country and the communicative feasibilities of delegating responsibilities from the centre to the periphery¹⁵. This suggests a different meaning of 'exploitation' than is found in Marx, who focused mainly on labour and production, which is more related to economic institutions than political institutions. Here the 'exploitation' comes at the hands of urban concentration of wealth and power at the cost of greater inequalities compared with rural families and communities. This is the realm of growing inequality that can lead to social unrest, which is a source of concern in both Russia and China in recent years.

The political system in Russia and China is structured by what Kirdina calls a "vertical hierarchical authority with the Centre on the top." (2010, 2012) Thus, the notion of 'socialism' can be re-read simply to mean a strong political authority, with centralized government powers. This centralisation need not be concentrated in one mega-city as the combined powers of Beijing and Shanghai and Moscow and St. Petersburg demonstrate for large-sized X-Matrix countries. The political structures in these countries nevertheless include nationally-shaped democratic elections (Y-Matrix), but their redistributive political-economic powers far outweigh those in neo-liberal federative 'Western' nations.

One example, the move by Vladimir Putin to reign in political power to Moscow by appointing regional governors (2004, approved by the Duma in 2009) was seen in the West as centralising Russia's authority and even as weakening its democracy. However, this move increased the redistributive powers of the central government and bolstered the importance of its political and economic elite in a way more consistent with an X-matrix institutional structure. This served to shrink what Kirdina calls 'self-government and subsidiarity' and instead expanded the administrative system towards 'unitarity.' Thus, if Western political and social scientists want to understand why such a political model is preferred in Russia and China to Western models, they can interpret it through the IMT, which says that a dominant Y-matrix system is not the preferred one for every nation-state in the world.

In contrast with a "Multi-party system and rule of democratic majority" (Y-Matrix), Kirdina notes that the political system in Russia and China are one-party or a small number of parties respectively¹⁶, where "General assembly and the rule of unanimity" is the common system of governance (2001, 2012). This gives the governing party and its political-economic allies much more power in determining policies and how they are executed in society. While questions of justice, freedom, equality and democracy are all the while still important, that Kirdina points to the reality of fundamentally different types of nation-state systems is enough to grant Russia and

¹⁴ "Historical research shows that domination (and subordination) of this or that matrix has a steady character. Even if by virtue of external pressure or under influence of internal reasons, attempts are made to replace one dominating matrix another, such a situation of outright reversal is, as a rule/law, short-lived (in historical time). For example, attempts of institutional structural change in Eastern Europe under influence of the USSR or the countries of Latin America under pressure of the USA." – Kirdina (2012a)

¹⁵ Canada has both the so-called 'heartland' and the 'hinterland' (H. Innis), the former being where the governance, business, media and military are concentrated, while the latter is where many Canadians live, spread out in the vast territory of the nation. The main question is whether or not the heartland 'exploits' the hinterland or whether there is collaboration and a healthy balance between them with the aid of distributive policies.

¹⁶ The Russian Federation is officially a multi-party system; in the current Parliament (Duma) there are 4 parties with Members/Seats. The United Party of Russia, led by Prime Minister Dmitry Medvedev (with President Putin as General Secretary) however cannot easily be compared to Chinese Communist Party, which is written in China's constitution as a single-party state. In contrast, the United Party (as of August 2012) holds 53% of the legislative seats, with the Communist Party, A Just Russia and the Liberal Democratic Party each holding between 20-12% of the remaining seats.

China a reprieve from some of the criticisms levelled at them by the pro-neo-liberal expectations of Western politicians and media outlets.

Likewise, rather than requiring elections for all government and top-level officials, a process of recommendation and promotions through general assemblies is preferred where either total or majority consensus is reached. The Chinese Communist Party (CCP) appoints¹⁷ the Politburo and likewise official procedural promotions are standard fare within certain institutions such as government ministries and agencies, banks and state corporations (SOEs). In Kirdina's theory, appointments and official Party promotions are to be expected and should therefore be accepted as normal procedure in X-Matrix countries. Attempts made by external forces to change this familiar-historical "access to governing positions" (2010, 2012) would go against the grain of the people (read: civil society) and their understanding of statehood.

One might wonder if Kirdina's theory could serve as an excuse for promoting undemocratic principles and regimes or instead if it is designed to allow for non-Western views of democracy based on the communal will of a society or people. This is one of the major differences between X- and Y-Matrix nations, says Kirdina, "X-matrices are formed under communal conditions," while "Y-matrix institutions are [thus] shaped in a non-communal environment." (2010) Indeed, how people view themselves as individual citizens of a particular nation-state, living in a more or less collectively-oriented (and thus more or less united) civil society, based in local and regional communities, under the governance of elected and/or appointed leaders is crucial to understanding in what ways Kirdina's institutional approach creates fresh new space for a dialogue of civilisations over political, ideological and economic principles.

B. Ideology – From the Universal to the Personal

Although the various Russian schools of Marxian thought differ in several ways from those in the West (Burawoy 1990), we can nevertheless consider current views of Marxism in Russia as an example of 'Marxism abroad' from the point of view of Chinese Marxism. "After the fall of the Soviet Union, the official ideology of Marxism almost disappeared," notes Kirdina. "The collapse of the USSR and Eastern Bloc allowed for thinking that the modern economic system could only be global capitalism. However, with the rising power of China, the 'left drift' in Latin America and the Caribbean, and Putin's Russia, we see socio-economic systems that do not fit well in the 'Procrustean bed' of capitalism." (2012a) To some people this means that people in the West need to re-evaluate Marx, both to study with fresh eyes his critiques of capitalism, exploitation, alienation, liberation and inequality. Another reason appears to be that it may help Westerners better understand countries that prefer an alternative approach to markets and redistributive justice than what neo-liberal global capitalism currently offers.

However, this does not necessarily mean that Marx, a 19th century thinker, holds appropriate answers to all or even many 21st century problems and challenges. Instead, what we see in Kirdina is a proposal to update our view of Marx, drawing on the systems paradigm, cybernetics and institutional theory to build a forward-looking vision of globalisation and nationality. "Sharing many of the presumptions of Marx's institutional doctrine and accepting broadly his analytical schemes," states Kirdina, "IMT updates and elaborates them in an attempt to better understand our dynamic and complex contemporary globalized situation." (2012) This approach is grounded in the logic that any nation-state today that does not place great emphasis on more than just material resources and labour, but also on information, education and the transfer of knowledge and expertise, will find itself quickly falling behind in terms of innovation, flexibility and potential for growth both domestically and in the global economy.

¹⁷ An alternative example from a Y-matrix country: the Senate is appointed by the Prime Minister of Canada. However, there is much debate over Senate appointments and most other positions in the Federal government are decided by elections.

It is the focus on knowledge, information and education, which are more subjective and value-oriented than material resources, rents, land or quantities of labour, that largely explains why Kirdina includes the topic of ideology as one of the 'coordinates' in her sociological approach. "Sociologists," says Kirdina, "having their sights on the 'correct' and 'incorrect' arrangements of society, intertwine their own judgments with the subjects of their research. Sociology becomes a way of substantiating personal or group perspectives, as a basis for justifying ideological preferences. Russian scholars and scientists from the middle-aged and older generations remember the struggle against this 'original sin' when Soviet sociology had to overcome the temptation 'to be a servant of socialism'." (2008) Thus, Kirdina's focus on ideology in the aftermath of Soviet scientific atheism and communism leads us to ask the question of how we responsibly build and develop our ideologies as a community or society instead of allowing ideology to control and command us.

What Kirdina's approach does (that seems generally lacking in the West) is to give considerable attention to the influence and legitimate place for ideology in the social structure. Ideology is important to help understand the context of political and economic transformation and there are literally hundreds of different definitions of ideology which makes it a complex, rather than simple theme of study. In the West, ideology is often tied to radicalism, the notion that those who hold to a particular ideology are radicals and (pejoratively) ideologues, and thus a threat to the status quo. According to Kirdina, however, "the definition of ideology is ideologically dependent because people have their own ideological preferences¹⁸." Ideology need not be seen as negative or threatening as many Westerners continue to view it.

With ideology, there's a universal part, which could be connected with one's worldview or religion and there's also a specific part that relates to how one makes sense of societies, cultures, political systems, structures and institutions. For each politician, economist, pundit or layperson their definition of ideology and the ideologies that they hold serves as a way of framing their particular views. Without ideology, it is impossible to organise ideas in a coherent way in order to make sense of development, modernisation or progress for an institutional system. This is why Kirdina places such important emphasis on ideology, even though due to Marx, for many Westerners it has gained a bad reputation.

Kirdina speaks of "the unpopularity of Karl Marx with modern economists" (2012a) and seeks to revisit some of the main ideas Marx presented, but with a new strategy. Kirdina's model does not adhere to 'economic determinism,' but rather sees economics, politics and ideology as "morphologically interconnected and thus of equal importance." (Ibid) Her approach does not accept the dialectical materialism or the historical materialism of N. Bukharin or Marx and F. Engels, but it does reflect some of the dialectical features of Marxian and Hegelian thought as well as promoting the idea that technological and material resources in the national environment have a profound influence on a country's pathways of development. Once the disenchanting features of Marxist ideology have been purged and re-imagined for today's post-modern conditions, there is nothing wrong with Westerners admitting that some features of the Marxian approach reflect truths that not only Chinese, Russians and X-Matrix countries can learn from and explore.

One thing in particular that Kirdina credits Marx for is opening up a new view of politics, ideology and economics. "Marx created the basis for analyzing a '*multiplicity*' of economies in their commensurate notions and he considered a capitalistic economy as just one possible type," she says (2012). In today's multi-polar world, after the Cold War and the eventual failure of the 'Washington Consensus' burdened by the largest national debt in human history, Kirdina's theory provides a welcome opportunity to look again carefully at the ideologies that guide policy and planning in economies, societies and governments around the world.

¹⁸ Private conversation, 30-08-2012.

C. Economics – Freed from Marxist and Western Frameworks

The strongest case for promoting Kirdina's IMT thus far has been found in economics. Whether it is in supporting the legitimacy of state corporations (SOEs) or the right to public ownership of certain resources, goods and services in the communal interest of civil society instead of independent private companies and their investors, Kirdina's IMT makes a statement in defence of Y-Matrix institutions. This is what makes it a collaborative dialogue partner with Wei's works on the transformation of Chinese society, politics and economics.

As a brief background, Kirdina notes that "In the 1990s, courses in Marxist political economy in all universities of the country [Russia] were replaced by courses in *economics*." (2011) This took place to purge the educational system from programs that limited themselves to a single ideological principle (i.e. Soviet Marxism) and which thus obscured Russia's future scholars from openly considering non-Marxist and post-Marxist ideas for the benefit of the nation. It was not forced from outside, but rather decided upon from within Russia at the Ministry of Education and Science that continuing the dominance of Marxist political-economic ideas from the 19th century was likely not the best option for educating Russia's youth into the 21st century.

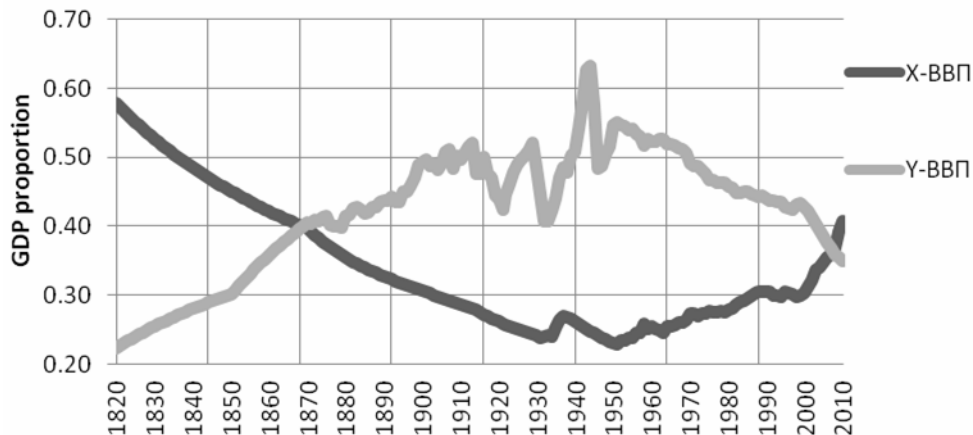
Kirdina confronts this directly in her most recent works. "Can a post- or non-Marxian theory of democracy and labour enable us to move beyond the 20th century division between capitalism and socialism?" she asks. "An alternative systemic approach to international development that balances capital and non-capital forces, such as ideology, labour and land, we believe can enhance democratic institutional cooperation." (2012a) This is the pro-active side to her IMT approach, which is not only about diagnosing problems, but also about working towards providing solutions based on balancing the strengths and weaknesses in existing institutions.

Whereas Marx contrasted 'European' (civilised) and 'Asiatic' (uncivilised) peoples, Kirdina contrasts Y- and X- matrices, which are broadly defined as 'Western' and 'Eastern' (or 'non-Western'). This position is taken in order to reflect the two hemispheres of the human brain. In Marx's model of capitalism against socialism, there is "a struggle between them, and only one type of institution can be 'the winner'." Instead, in Kirdina's model, "X- and Y-matrix institutions co-exist. All societies and economies have a mixed institutional structure." (2012a) This feature of Kirdina's collaborative and complementary approach should be kept clearly in mind once the data are analysed that reveal 21st century history is tilting in favour of X-Matrix models along with the decline of Y-Matrix models.

In light of such data, some Westerners have expressed cause for concern that their Y-Matrix economic system is irreparably on the down-swing. Data confirms this trend, which is displayed in Figure 1 below, based on information collected by a Western company. The data show that GDP produced by X-Matrix countries has for the first time in almost 140 years come to exceed that produced by Y-Matrix countries and the trend is for this to continue.

The conclusions to draw from this graphic relate to the broad political, ideological and economic outlook for both X-Matrix and Y-Matrix countries in the international community. Kirdina's approach suggests that Russia has learned from China's more gradual transition to markets, such that it now follows the idea of a "planned economy with market regulation." (2010) She has given a prognosis regarding the liberalization of science and technology policy based on IMT, wherein she believes that "the Russian innovation system will move from the Western-oriented institutional model to the Chinese one." (2010) Thus, predictions of collaboration between X-Matrix countries, rather than capitulating to Y-Matrix preferences in regard to institutional matrices is one of the strongest conclusions of Kirdina's IMT framework.

Figure 1: Proportion of GDP produced by countries with a prevailing X- and Y-matrix¹⁹, 1820-2010, sample of 34 nations ~75% of World GDP (BBП)



Search: Maddison Data Base, <http://www.ggdc.net/MADDISON/oriindex.htm>

Instead of suggesting a global political-economic revolution is on the threshold of history, as Marx did, Kirdina's theory instead insists that "Revolutions update the institutional structures but do not change the prevailing position of the dominant matrix." (2012a) In other words, the so-called 'Fall of Communism' seen in the disintegration of the USSR (and subsequent decline in other communist nations since the 1990s) did not mean that inevitably Russia would fully adopt the neo-liberal institutions of the West, its supposedly peaceful Cold War conqueror. Kirdina's model contends it was foreseeable that Russia, and many (if not most) of the former Soviet Socialist Republics, would eventually revert back to a balance that mirrors their 'natural-national' X-Matrix institutional configuration. That is why Kirdina frames her holistically-oriented message this way: "To support an appropriate proportion between dominant and complimentary institutions is the important task of social and economic policy." (Ibid)

Kirdina's model contends that "balanced development in the public sphere requires purposeful efforts by social agents." (Ibid) Thus, what her approach asks us to do is to search for, "Finding an optimal balance of predominant and alternative/complementary institutions," which she says "is a crucial challenge for today's nation-states, including politicians and civil society." (Ibid) Economists, administrators, mass media leaders and social planners should therefore attune themselves to recognizing that both X- and Y-Matrix institutions will exist in one and the same nation-state, regardless of attempts domestically or externally to exclude or isolate them. So-called 'socialized medicine' in the United States is an example where even in a Y-Matrix dominant country, X-Matrix institutions are part of the social fabric.

Thus, the most significant feature of Kirdina's model, which is largely what attracts me to it as well as others with whom I've consulted, is that politics, ideology and economics then become a mission of seeking balance and proportion based on historically emergent patterns and circumstances. This is a model that also fits appropriately with harmony-seeking in China. As well, it promotes a possible withdrawal of misplaced or misleading advisors and consultants from the West who have been telling Eastern countries for decades that they must copy Western capitalist models if they want any hope of prospering. Instead, Easterners ought to seek their own sovereign institutional proportionality based on X-Matrix dominant familiarity.

¹⁹ X-matrix countries: China, India, Japan, Brazil and former USSR countries.

Y-matrix countries: Western Europe including Denmark, Finland, France, Germany, Italy, Netherlands, Norway, Sweden, Switzerland and United Kingdom as well as Australia, New Zealand, Canada and United States.

5. Conclusion – Seeking Proportionality

“Jesus was the first socialist, the first to seek a better life for mankind²⁰.”

Mikhail Gorbachev

“Everyone sees the unseen in proportion to the clarity of his [sic] heart, and that depends upon how much he has polished it. Whoever has polished it more sees more – more unseen forms become manifest to him²¹.”

Jalal ad-Din Rumi

“If there is light in the soul, there will be beauty in the person.
If there is beauty in the person, there will be harmony in the house.
If there is harmony in the house, there will be order in the nation.
If there is order in the nation, there will be peace in the world.”

Chinese Proverb

If what Kirdina says in support of sovereignty for X-Matrix institutional systems in the face of Y-Matrix global hegemony is helpful and accurate, then Chinese scholarship may be among the leaders in forging a new path forward beyond the capitalism vs. socialism conflict of the 20th century. Since it has promoted both new social, economic and political reforms in light of a gradual and limited adoption of market principles and institutions, the Chinese system is a clear example of a country seeking X- and Y-Matrix institutional balance in the form that Kirdina suggests. What is most important to each nation-state and their citizenship, their folk or people then is deciding for themselves what is the ideal balance or harmony of institutions that is sought and correspondingly making appropriate strategies for how to achieve it.

If socialism simply means “to seek a better life for mankind,” then not only current-day China, but also every country in the world should hold socialism as a great ideal. Rather than making society captive to a profit-motive or to capital instead of people, alternative systems that seek limited markets with appropriate redistribution can be sought. It doesn’t have to be capitalism vs. socialism anymore, as it was (from a Western perspective) during the Cold War. Instead, we can move beyond this dichotomy by identifying socially responsible and individually accountable (even democratic) systems that function in various institutions around the world. Kirdina’s model provides an outline for this, such that X-Matrix and Y-Matrix institutions can be seen as complementary, inevitably intertwined and collaborative rather than antagonistic and mutually exclusive.

Rather than viewing capitalism and socialism as grand systems-level enemies of each other, generating conflict and contempt in the 21st century, perhaps the time has come for alternative options where countries that reject the so-called ‘Western’ model of markets *uber alles* will no longer be ashamed to speak out, but rather be encouraged to act and promote a more holistic life-systems approach on the global scale. What can occur with this comparative recognition in place is a heightened search among governments to find the proper balance of political, ideological and economic institutions both domestically and between nations in the global community.

Kirdina’s theory promotes productive, pragmatic, peaceful interaction between neighbourly institutional structures. Thus, what she is asking for is a kind of hybrid system of institutional collaboration, whereby two distinctly different (even opposite) models can work together. According to her, what is needed, therefore, is knowledge upon which partnerships can be based, new strategies forged and where institutional theory can be built into both local and global practices. If we accept that abstract theorizing is deeply embedded in the Russian mind, while

²⁰ As quoted in *The London Daily Telegraph*, 16 June 1992.

²¹ As quoted in *The Sufi Path of Love: The Spiritual Teachings of Rumi* by William C. Chittick, 1983: p. 162

practical wisdom is part of the Chinese tradition and character, then a blend of these two capabilities is well worth considering.

Russian sociologist A.A. Davydov writes (1991): "It is well-known today that the golden ratio exists in many natural and cultural objects (e.g. masterpieces of architecture and music), reflecting the optimal balance between the parts and the whole system²²." If we accept this observation, then how can an ideal 'golden ratio' be promoted in the realms of politics, ideology and economics? What seems to be required for each government, together with empowered citizens is to define the over-all development vision for a country, community or region and then to put all efforts into achieving a golden ratio of institutions and structures that reflects the desires and aims of the people.

Kirdina's IMT helps to protect China's national sovereignty by declaring that it would be 'unnatural' for China to accept the same market-oriented neo-liberal institutional matrix as the United States of America or Western Europe. Nevertheless, in both Kirdina's model and in Wei's book, the emphasis is placed on 'social equality' as the primary goal, rather than on 'legal equality' as a means of protecting and extending the rights of individuals and communities. This analysis suggests that more focus can be placed by both scholars on highlighting the importance of public and individual security and safety through the legislation and execution of an established legal culture as it relates to the political, ideological and economic realms.

Whatever the future will bring, let us not forget the past or discard important traditions that people in China, Russia or globally will not suffer themselves to give up. Rather let us seek to find a conscientious balance of 'Capitalism' and 'Socialism,' 'Conservative' and 'Liberal,' 'Left' and 'Right,' 'Developed' and 'Developing' that can collectively and individually meet the needs, desires and dreams of people around the world today. This imaginative exploration can aim at the modernizing ideal of moving towards a golden ratio of public and private institutions that are built proportionally to our current and future human capacities and natural resources.

A combination of collaborative and integrated system characteristics is therefore not necessarily a negative compromise that must inevitably lead to zero net benefits. The major challenge is how to create a new language that satisfies distinct and sovereign societies and nations that allows mutual aid and respectful dialogue instead of promoting a clash of civilisations.

Who will become the 'name-giver' (ὀνοματοθέτης, *onomatohetes*, *ономатет*) for the post-capitalism vs. post-socialism global balance of powers in China, Russia and elsewhere? That is a challenge this paper has indirectly aimed to provoke through a comparison of contemporary scholarly approaches. The goal of proportion-seeking invites further discussion and new naming on a continual basis among various inhabitants of our common global village.

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²² "Сегодня известно, что золотое сечение присуще многим природным и культурным объектам (шедеврам архитектуры и музыки), отражая оптимальное равновесие между частями и целым в системе." – А.А. Давыдов (1991: 99)

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