# The provision of public services in the PRC:

Reconciling Market, State and Civil Society

#### **Annex**

to the paper presented by
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Figure 1

# China's reforms, what is that?

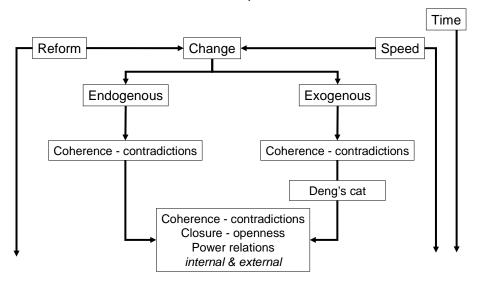


Figure 2

### Remark - Questions

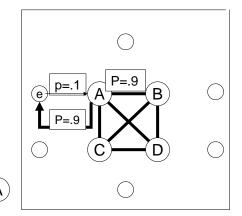
- 1. A system's components may change at different speeds
- 2. Can Deng's cat be socialist?
- 3. Can Deng's cat have Chinese characteristics?
- 4. Can Deng's cat have its own preferences?
- 5. In what kind of environment does Deng's cat prefer to live? Foreseeable or unforeseeable environment?
- 6. Can Deng fully control his cat's behaviour? (reference to the « Bird Cage Economics » of Chen Yun)

Figure 3

# Some simple lessons from general systems theory: the concept of structural interdependence

- 1. If A changes, B changes
- 2. If A changes, the is a probability P that B will change
- 3. The P of a change in B depends on the size of A's change
- 4. The size of B's change depends on the size of A's change
- 5. Consequence: elements of a system may have different probabilities
- 6. If this is the case, there will be some central elements with high P:

And some peripheral with low P: (e)



Question: What are the central elements of a social system?

Figure 4

#### The "functional imperatives"

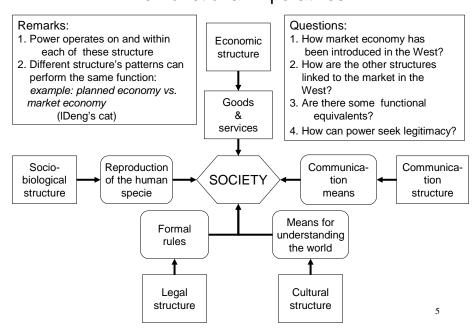


Figure 5

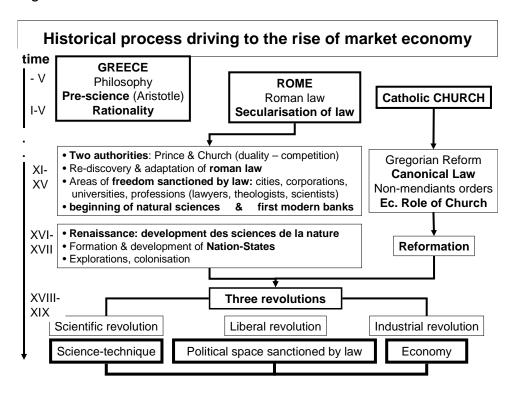


Figure 6

Historical process driving to the rise of market economy

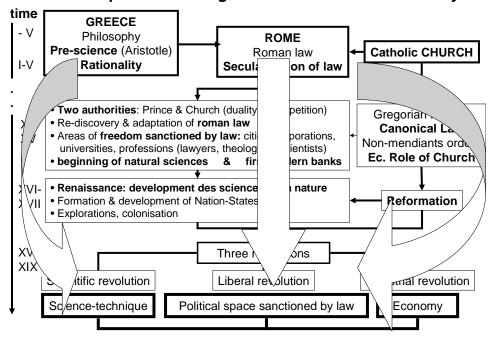
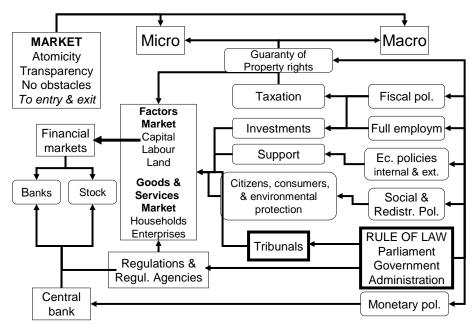


Figure 7

A simplified market economy supported by the Rule of Law



8

State, Market, Citizens and Groups in Western States

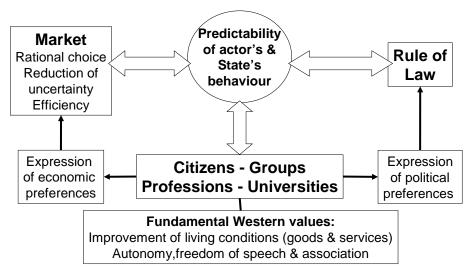


Figure 9

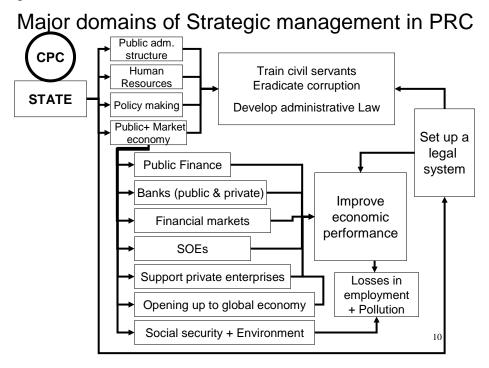


Figure 10

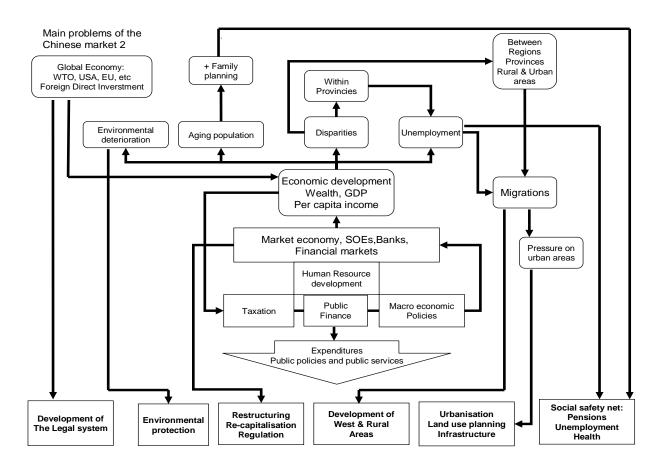


Figure 11

#### The vicious circle of poor enterprise performance

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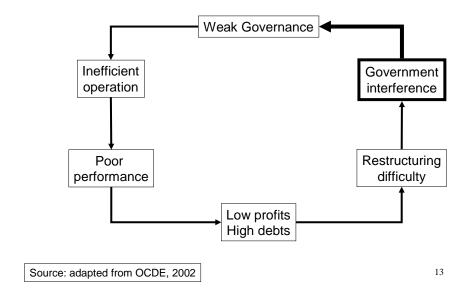
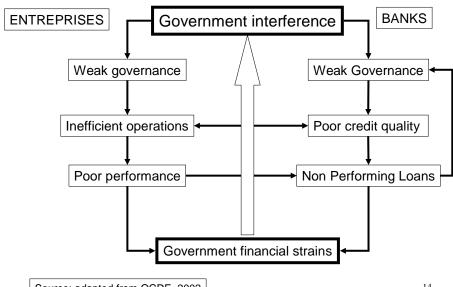


Figure 12 The vicious circles of banks and enterprise problems

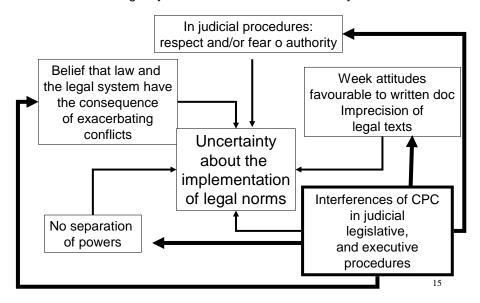


Source: adapted from OCDE, 2002

Figure 13

#### The problems of the Legal System

Law - legal system - « rule of law » - « rule by law »



The problems of centre – periphery relations

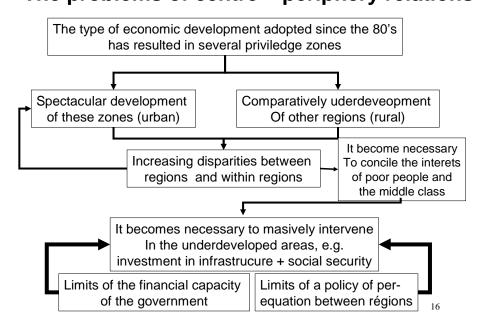


Figure 15

# The problems of the cultural structure 1

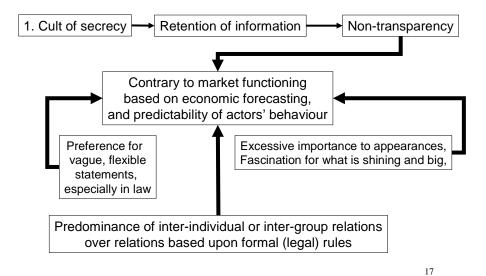


Figure 16

# The problems of the cultural structure 2

Preference for practice – technique over theoretical thinking

Fascination for science, but especially for its technical applications

This seems particularly true for economic and social sciences:

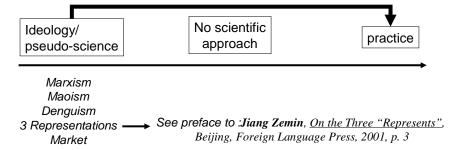


Figure 17

## The problems of the cultural structure 3

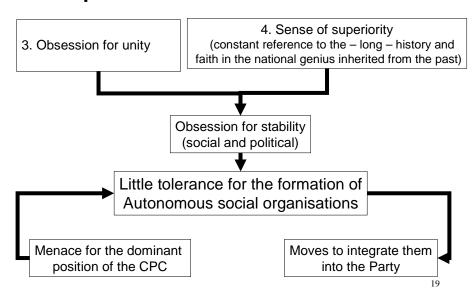


Figure 18

# The problems of the cultural structure 4

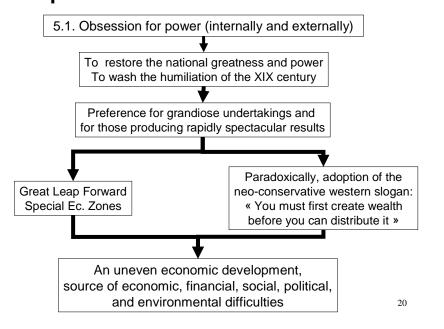


Figure 19

# The problems of the cultural structure 5

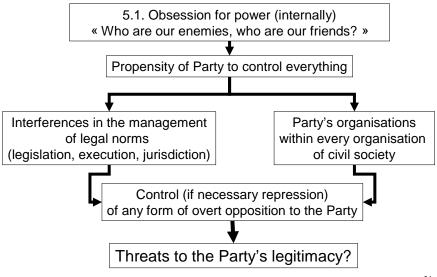
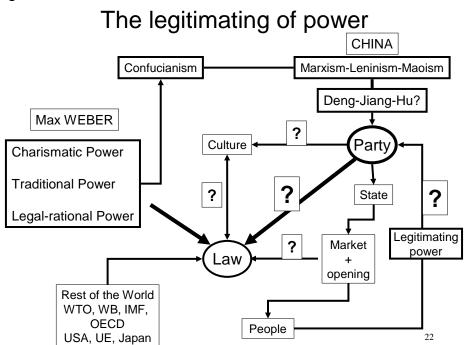
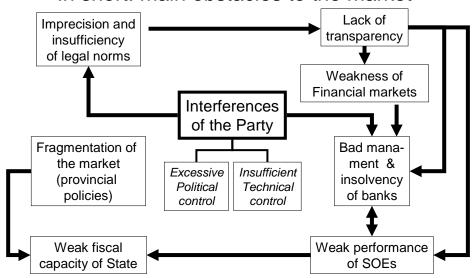


Figure 20



In short: main obstacles to the market



BUT, this does not necessarily mean that China will (inevitably and/or rapidly) organise its economy like a western market economy supported by a western-like rule of law».

Figure 22

Can China count on some sort of « functional equivalents » to the "Rule of Law", in order to support the development of its market economy?

