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### THE ACADEMIC CAREER AND ACHIEVEMENTS OF XINGHUA WEI

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#### Academic Career

Xinghua Wei was born in October 1925 in Wutai County of Shanxi Province, in north China. He entered the Tuo Yang higher primary school in the town of Dongye in the spring of 1937. However, he missed several years after the Japanese army occupied his hometown in the fall of 1938. In the fall of 1942, he entered middle school in the town of Dongzhi. But after a semester, he left because of dissatisfaction with the enslavement of education by the Japanese puppet regime. To return to school, he went to Xi County in western Shanxi Province in 1943 and entered Jinshan middle school that fall. In 1946 he participated in underground revolutionary work at Taiyuan, the capital of Shanxi, then moved secretly to Liberated Areas in 1947. He then joined the Communist Party of China through the Taiyuan Work Committee in the Taihang area. Though he was arrested and jailed, he kept the party's secret strictly confidential. After his release in June 1948, the party arranged for him to carry out revolutionary work in Beijing. He returned to the liberated areas in early November 1948, and entered Huabei University.

In 1950, a year after the Revolution, he transferred to the newly established Department of Economics of Renmin (People's) University of China; in August of the same year, he transferred to the Political Economy Department as a graduate

student. After his graduation he was elected to teach at Renmin in 1952, and successively served as lecturer, associate professor, and professor.

In 1981, he became the deputy editor-in-chief of the journal *Economic Theory and Economic Management*. From 1983 to 1986, he was dean of the Department of Political Economy of Renmin University. He held posts as editor-in-chief of the *Journal of Renmin University of China*, deputy director of the Academic Committee of the University, member of the Academic Degree Committee and the presidency of the Theoretical Economics Chapter of the Academic Degree Committee. Currently he is an honorary first grand professor of the Renmin University of China and a doctoral tutor.

In addition, Xinghua Wei served as a member of the economics appraisal group of the State Council's degree committee, and as a member of the Chinese philosophy, social science and economic planning group. He also served as the vice-chairman of China research association on *Das Kapital*, and the chairman of the national comprehensive university research association on *Das Kapital*. His current appointments include Distinguished Professor of the Academy of Marxism of the Chinese Academy of Social Sciences, Honorary Member of the CPC's China Institute of Literature Research, Member of Central Project Group of Research and Construction on Marxist Theory, Adviser to the Beijing-based Academic Research Center on Deng Xiaoping Theory, and Executive Director of the Industrial and Commercial Administrative Management Society. In addition, he holds concurrent posts as visiting professor at Nanjing University, Fujian Normal University and other universities, and as Honorary Dean of the School of Economics of the Jiangxi Finance and Economics University.

In 1991 he was named to receive the special government allowance for experts. He has also received many other important academic awards, for example the first and second Paper Awards of the Yefang Sun Prize, the Baosteel Education Fund Special Award for Excellence in Teaching, the first Beijing Philosophy and Social Science Outstanding Achievement Award, the Paper Award in memory of the Tenth Anniversary of the 3rd Session of the 11th Congress, the first prize for Outstanding Teaching Materials, issued by the State Education Commission, the second prize for Outstanding Achievements in Humanities and Social Sciences issued by the Ministry of Education, the first prize of the fourth China's Books Award, the second prize of the fifth China's Books Award, and more than 20 other national and provincial awards. In 1981 he was honored as a Beijing labor model.

Always diligent in his work, Xinghua Wei has authored over 800 papers to date in various academic journals and newspapers, and more than 40 books, such as *The Mechanism of Socialist Economic Operation*,<sup>1</sup> *Political Economy Research (Volume I,<sup>2</sup> Volume II<sup>3</sup>)*, *Exploration, Reform and Revitalization—the Primary Stage of Socialist Economy*,<sup>4</sup> *On the Mechanism of Economics*,<sup>5</sup> a Xinghua Wei

anthology,<sup>6</sup> *Political Principles of Economics*,<sup>7</sup> *What Is Socialism*,<sup>8</sup> *The Largest Department of Economic Management—Basic Economic Knowledge Volume*,<sup>9</sup> political economics textbooks,<sup>10</sup> *Political Economy (Capitalism Volume)*,<sup>11</sup> *The Structure of China's New Economic System*,<sup>12</sup> *Chinese Social Security System*,<sup>13</sup> *The Communist Party of China History of Economic Thought*,<sup>14</sup> *The Combinatorial Theory on the Functioning of Markets and Government Function*,<sup>15</sup> *Xinghua Wei Economics Anthology* (Volumes I and II) (Economic Science Press, 2002), *Marxist Principles of Political Economy* (Chinese People's University Press, 2003), *Xinghua Wei Economics Anthology* (Volume III) (Economic Science Press, 2005), *Xinghua Wei Self Selection* (Learning Press, 2005), *Xinghua Wei Self Selection* (Chinese People's University Press, 2006), *Introduction to the Basic Principles of Marxism* (co-editor with Jiaxiang Zhao, Beijing University Press, 2008). He has mentored more than 40 doctoral students, many of whom have now become well-known scholars in China's domestic economic circles.

The academic career and theoretical contributions of Xinghua Wei have been introduced and reported by dozens of domestic and international newspapers and media. He was recognized as the leading researcher into Marxism-based economics, a paragon who adheres to the Marxist style of study, and a guru in contemporary China who engaged in teaching and research into Marxist economics. "His scientific points of view, which are advocated by Marxists, recognized by non-Marxists, and feared by anti-Marxists, are a valuable asset of the socialist economic theory."<sup>16</sup> He never changes his academic opinion according to the political winds. He adheres to criteria for exploring authenticity and he seeks the truth. A Hong Kong journal reviewing his theories and academic style concluded that his insights, strong facts and reasoned arguments have won the consent of the economics profession, and that his pragmatic attitude was very commendable.<sup>17</sup> In 1989, the *Chinese Research Monthly* of Japan published an article introducing Xinghua Wei's theoretical ideas on economic reform, and called him a "firm Chinese reformist economist."

### Academic Contributions

Xinghua Wei is one of the Chinese economists famous for their adherence to Marxist positions, viewpoints and methods in the study of economic theory. He is rigorous in his study, and always seeks the truth. He is never blindly obedient to other books, political leaders, or popular ethos. And in his serious attitude to independent thinking he always insists on a search for the truth, compliance with the truth, and strictly observes his scholarship motto of serious attitude, strict requirements, tight arguments, and rigorous style of study. Since he began teaching and research in political economy in 1952, Xinghua Wei has consistently persisted in combining study of objective reality and the basic tenets of Marxist political economy.

His research has been fruitful in areas of the labor theory of value, rent theory, commodity and market economy theory, theory of the mechanism of economic operation, ownership theory, the theory of economic structural reform, economic growth and development of the theory, the theory of income distribution, fairness and efficiency, economic theories of socialism with Chinese characteristics, and much more. He has made his own unique contributions to Marxist economic theory. His main academic achievements can be summarized as follows:

**He keeps the basic principles of Marxist political economy, deepens understanding of Marxist economics, and clarifies issues in economic theory.**

*Xinghua Wei advocates that development of productivity should be placed in an important position.* In order to criticize the so-called “revisionist theory of productive forces” and maintain the theory that the relations of production are determined by the productivity of labor, Xinghua Wei points out that the one-sided emphasis on the relations of production and the ignorance of the development of the social productive forces will harm the cause of socialism. He successively published “Productivity is the Decisive Force for Social Development” and “On the Continuity of the Development of Productive Forces” in *Guangming Daily* in 1978, to analyze the hazard of neglecting the development of the productive forces and the problems that need to be solved, and to highlight the significance of “productivity standards.” Xinghua Wei argues that there are three reasons for the continuity of the development of productive forces. Firstly, the labor process is carried out continuously, as are the social factors deciding productivity. Secondly, productivity itself does not have a class nature, thus it will not decay with decline of any class. Thirdly, productivity is the most active and revolutionary factor and will not stay in one stage for long. Therefore, the continuous development of productivity is always shown as a constant upgrade from the original level. Any new productivity, instead of abandoning and destroying the original, develops on the basis of inheriting and expanding the existing. Therefore, Xinghua Wei suggests it is necessary to attach great importance to the development of the productive forces in the construction and improvement of the socialist system. He also pointed out that the role of internal contradictions must be admitted. As far as how to develop the productive forces, he pointed out that the understanding of productivity had been too narrow in the past and raised the multi-factor theory. In his view, in order to develop productive forces, we should attach the same importance to both the human factor and material factors, to both the production tools and natural resources and energy, and to development of both the productive forces and of science, technology and business management. He also proposed that we should enrich and improve its content, according to the reality of the development of the social productive forces.

*Xinghua Wei sticks to and develops labor theory of value.* Xinghua Wei wrote many articles from theoretical and practical aspects to retort those incorrect ideas which replace the labor theory of value with production-factors value theory, supply-demand value theory, and utility theory of value. He broadens the scope of productive labor, and argues that the labor spent in the commercial sector, which does not produce material directly though, also creates value. But he does not agree with the view that all kinds of labor create value or that all “tertiary sector” services create value. He advocated that socialist labor can be divided into four categories. The first includes the material productive labor including production labor which does not create value in a non-commodity economy, and the production labor which creates value in a commodity economy. The second category is spiritual productive labor including culture and education, science and technology, entertainment and so on. The third one is the commercial service labor. The fourth is the social service, including the party and government, public security organs, military, police and so on. Though these are necessary and beneficial for society, they are not productive labor, let alone labor creating value. He proposed that the labor theory of value is not the theoretical basis for the socialist practice of distribution according to work. And that distribution according to the contributions of production factors is not on the basis of factor value theory, but lies in the ownership elements. At the same time he points out that non-labor factors, for example natural resources, are one of the sources of social wealth, and also participate in the process of producing use values and value, so we should pay more attention to the role of the non-labor elements in the process of creation of value and wealth.

*Xinghua Wei emphasizes study of Marx's theory of wealth.* He argues that Marx's value theory and wealth theory are two important theories from different angles. Under conditions of socialism, it is of great theoretical and practical importance to study the theory of wealth. The achievement of socialist common prosperity depends on the increase of wealth on a large scale. Xinghua Wei points out that the production of wealth is inseparable from the labor elements, but the increase in wealth is not proportional to labor. In socialist society, it is unreasonable to depend on extension of working hours and increase labor intensity to create more value. We should focus on the application of new technology to improve labor productivity and to produce more wealth with fewer working hours. With the development of productive forces and social and economic progress, the increase of what Marx called “discretionary time” would be the measurement of social wealth. Shortened labor time, increases in discretionary time, and the substantial growth of social wealth are also conditions for the people's freedom and full development. He also believes that, under the new social and historical conditions, new socio-economic factors emerge, thus we should pay more attention to the study of wealth. The first new factor is that the trajectory of changes in value can be difficult to trace from

the trajectory of prices, due to the implementation of monetary functions by paper money. If the growth rate of GNP and GDP in all countries are accounted in constant prices, what they really show are not actually the changes in value, but the increase in an index of the use value or of wealth. Thus the disparities in total GDP or GDP per capita among different countries do not reflect the variance of value created by labor, but rather the gap of total or per capita wealth caused by different levels of labor productivity. The second new factor is that because of the improvement of the status and the proportion of international trade caused by globalization, relatively high domestic value of China, in which the production level is limited, would be devalued and calculated as only a smaller amount of international value. Thus it becomes less and less valuable to pursue the increase in domestic value at the cost of large amounts of domestic labor. This would effectively weaken our country's international economic competitiveness. In order to enhance the international competitiveness of our country we should improve the productivity of labor.<sup>18</sup> This view, in essence, is an important problem for China in the process of globalization, and provides a new perspective for China's opening-up.

*Xinghua Wei accurately grasps Marx's Theory of Rent.* Rent theory is an important part of Marxist political economy. Until the late 1950s, in teaching and textbooks of political economics in China, some of the problems of rent theory were not accurately explained. There were still some misunderstandings. Xinghua Wei published an article, "Some of the Issues on the Rent Theory of Capitalism," in *Economic Research* in 1956, analyzing rent theory systematically and clarifying some important problems, especially on the sources and measurement issues of differential rent II and the problem of integrated calculation of differential rent and absolute rent. From then on he published a succession of articles on rent theory to promote the study of rent theory in Chinese economic circles.

As far as the cause of differential rent is concerned, some domestic political economics textbooks and authoritative economic treatises generally emphasize the capitalist business of land but ignore the limitation in the amount of land. Xinghua Wei thinks it is necessary to combine them together to analyze the causes of differential rent. He points out that the limitation of land and the capitalist management monopoly of land caused by it only apply to superior land. The amount of inferior land has nothing to do with the existence of differential rent. Even if the amount of inferior land is infinite, as long as the best land has been occupied, and both superior land and inferior land are in use at the same time, differential rent will appear. Xinghua Wei argues that we cannot separate the existence of differential rent II from differential rent I. The analysis of different productivity must extend to research into how investment in inferior land can adjust production prices. If people make continuing investment in the best land or medium-quality land, even if productivity of each investment is the same, differential rent II still exists, because

the productivity of the best land or medium-quality land is still much higher or higher than that of inferior land.

Professor Wei has also addressed problems in the aggregated calculation of absolute rent and differential rent. In textbooks of political economy published in the 1950s, calculations of absolute rent and differential rent were chaotic. Results were obtained from simple sums of differential rent based on social production prices of agricultural products, plus a certain amount for absolute rent. According to this calculation method, it is inevitable that if the quality of land is better, labor would show higher productivity while the market price of products would be lower. Some people believed that absolute rent should be an equal amount of money added to the unit price of products. Then the whole amount of absolute rent of different pieces of land varied according to their output. Professor Wei does not agree with this opinion. Following Marx's rent theory, he emphasizes that the whole amount of absolute rent of all kinds of land should be at the same level. The aggregation of absolute rent and differential rent of land with different quality does not come from the sum of the rent, which is on the basis of the abstract understanding of differential rent income and the same amount of absolute rent. If absolute rent could remain the same for all kinds of land, agricultural products could not be priced according to social production price, but according to market price formed by social production prices plus absolute rent. The differential rent of good and medium-quality land will then increase correspondingly.

People need to have a new understanding of the contemporary development of capitalist agriculture, which stretches beyond what is described in *Das Kapital*. Marx's absolute rent theory is on the premise that the development of agricultural productivity falls behind that of industry, and that the organic composition of capital will be lower than that in industry. After more than a hundred years, and especially after World War II, due to rapid increases in capitalist agricultural productivity, the organic composition of agricultural capital has caught up with and even surpassed that of industrial capital. Professor Wei thinks that as long as there is a monopoly of private ownership of land, the cause of absolute rent will not disappear even though the entity of absolute rent—the margin between the value of agricultural products and their production costs—disappeared. People have to pay rent even if they rent inferior land. The rent still can be called absolute rent, though it is not the absolute rent in the sense of the original Marxist category any more. As for the source of absolute rent, Professor Wei thinks it mainly comes from the profits and wage deduction which could be reflected by the fact that in developed countries many farms are managed by their own owners, and the fact that in those countries the wages of agricultural workers and agricultural profit margins are generally lower than those in the industrial and commercial sectors. In addition, in order to maintain the economic interests of farmers, many governments of capitalist countries fund

long-term subsidies to farmers.<sup>19</sup> Many of Xinghua Wei's research achievements have gained the extensive attention of Chinese economic academics.

**Xinghua Wei promotes the development of commodity production and pays attention to the role of market mechanisms after a socialist revolution.**

Xinghua Wei was one of the first domestic economists to have begun research on socialist commodity economy and to propose that "socialist market economy should include non-public ownership economy." In the late 1950s, he advocated that in a socialist economy either consumer goods or means of production should be commodities, and that we should take advantage of the commodity economy to promote the development of the socialist economy. In 1959, he published an article, "The Methodology of the Socialist System of Commodity Production," in *Academic Monthly* to criticize the theory that there should not be commodity economy in socialist economy, and the theory that there should not be commodity economy relations among state-owned enterprises. He pointed out that if people denied the commodity nature of the means of production in the public ownership economy, then people would ignore the independent rights and interests between the different state-owned enterprises, and focus on their unified face while omitting their contradictions. If people denied the commodity nature of means of production, then they will inevitably deny the role of the law of value in the production of means of production. In August 1984, in an academic report, he stated that: "It is unsustainable to say there are only production and exchange of commodity in socialist system but there is not commodity economy. In socialist society, commodity production and exchange of commodities should be developed so as the commodity economy." "In order to develop socialist economy we must cultivate the commodity economy. Vigorous development of the commodity economy and the conscious use of the law of value are the needs of economic reform."<sup>20</sup> Xinghua Wei argues that the development of the productive forces of the socialist society cannot be separated from the development of the commodity economy, and that they, in certain historical conditions, are mutually reinforcing. He also points out that the actual difference in rights of possession and in the production and management level among the state-owned enterprises should be treated as differences in interests, and could determine the existence of the commodity economy within socialist ownership.<sup>21</sup>

After China's opening-up, the study of commodity economy gradually deepened. The practice broke the traditional view held by Marxists for more than a century that there should not be commodity exchange in socialism. At this time it was proposed that when productivity develops to a certain higher level, commodity economy would gradually wither away and commodity socialist economy would turn to production economy. Professor Wei does not agree with this opinion. He argues that the existence and development of commodity economy are essential in the whole



stage of socialist society. A so-called higher stage of socialism without commodity production would not exist. According to his theory, commodity economy and its laws which reflect the monetary nature of commodity are not social institutions. However, he also points out that socialist commodity economy could not simply be equal to commodity economy because handicraft economy and capitalist economy are all commodity economy.<sup>22</sup>

After Comrade Deng Xiaoping's South Tour speeches, socialist market economy was widely implemented in China. Xinghua Wei systematically analyzed the tortuous and complex transformation process of socialist market economy in our country.

He argues that, historically, market economy had been developing for a long time before the rise of capitalist societies, and the implementation of corresponding economics concepts. By contrast, the concept and theory of socialism developed prior to practice. Theories are amended according to practice, of course. And the views of our Party Central Committee, which would play a guiding role in the development of socialist theory and practice, have also evolved and developed in the process of discovery. The concept of market economy and that of commodity economy are both interactive and distinctive. The existence of commodity economy in socialism is the premise of the development of market economy. While the theory that the market should play a basic role in resources allocation deepens understanding of socialist commodity economy. Professor Wei believes two issues should draw more attention when analyzing socialist market economy. The first is the combination of market economy with the basic institutions of socialism, and the second is that market economy must be under the macro-control of socialist government. He especially emphasizes that if socialist state-owned enterprises deny planning mechanisms totally, state-owned assets would suffer massive erosion. That would lead to the crash of state-owned enterprises. A kind of atypical market economy institution must be established by state-owned enterprises, or they will be privatized as some scholars had proposed.<sup>23</sup>

As for the relationship between the socialist economy and socialist market economy, Professor Wei proposes that the scope of the concept of socialist economy has different aspects in both a broad and narrow sense. In the narrow sense, socialist market economy refers to the combination of socialist public ownership and market economy, while the broader concept incorporates the participation of nonpublic economy in market economy. Generally speaking, in a socialist market economy, the market actions of diverse sectors of the economy will form a unified market economic system.<sup>24</sup> He further argues that the market, in which several kinds of economic sectors participate, should play the same role in the allocation of resources. Then the public economy and the private economy could adjust to each other when participating in market actions. In this sense, the socialist market economic system is composed of diverse sectors of the economy, with public ownership as its

main body.<sup>25</sup> Since some articles confused “the important part of socialist market economy” with “the important part of socialist economy,” and some confused “the basic economic system of socialism’s primary stage” with “the socialist economic system,” Professor Wei clarifies the relationship and difference between socialist market economy and socialist economy, the relationship and difference between the socialist economic system and the basic economic system of socialism’s primary stage, and the relationship and difference between the form of public ownership and the realization form of public ownership.

**Xinghua Wei puts forward a new theory named vertical dual-level adjustment to guide operation of socialist economic mechanisms.**

The clear understanding and proper handling of the relationship between planning and market are keys to the success of socialist economics system reforms. Together with professors Hong Yinxing and Jie Wei, who were doctoral students in 1986, he systematically and comprehensively researched the issue of the relationship between planning and market, and advanced the model of economic operation, namely that “planning could regulate the market while the market could regulate enterprises.”<sup>26</sup> He proposed that bringing the market into full play is an important part of enlivening our economy and improving the economic management control system. Market regulation can be divided into two types. One is characterized by the spontaneous and blind forces of market mechanisms; the other is under the guidance of planning and government. Thus it is unnecessary to discuss which one is the priority. The scope of market regulation is broadened. And we could combine market with regulation with guiding planning which had prevailed before reform and opening-up policy. Thus, instead of denying the function of planning, market regulation is under the guidance of planning. This opinion fits in with the concept that government regulates the market while the market guides enterprises, which was raised by the 13th Party Congress.

After 1989, this new concept was challenged. Professor Wei defended the rationality of the new theory. He argued that guiding planning should be used to regulate the market, while the market would regulate enterprises. The guiding or orienting function of planning is at a high level while market regulation is at the fundamental level. And these two levels are combined vertically. None of these two levels should be prioritized. In other words, the guiding function of planning would not reduce market regulation to second place. His theory is consistent with the important measures China took to improve the systems of economic administration.

It should be emphasized that when the model treating planning as a priority and the market as supplementary was advocated in the early stage of reform, Professor Wei did not write any articles to discuss this model. However, after many years of development of theory and practice, when some people began to criticize the

old policy, Professor Wei pointed out that it was not proper to judge the former mode without a historical view. While the model with planning as a priority and market as supplementary has historical limitations, it provided an alternative to traditional mandatory planning. He fully confirms the significance of introducing market regulation into former economic management systems.

As for the issue of the relationship between market regulation and the market itself, Professor Wei argues that commodity economy is not necessarily equal to market economy while market is not necessarily equal to market regulation. There were commodity production and markets in the age of the traditional planned economy, when the market did not act as a regulating factor. In market economy, the market acts fundamentally while the state plan has an important guiding function in the allocation of resources. The full play of these functions needs the comparative perfect market mechanism and system. Professor Wei insists that in order to give further play to the role of the market, we should pay attention to basic work, establish a healthy market system, and make the price mechanism correctly reflect the signal of supply and demand. Besides, in order to reform and improve the socialist economic system we should combine other measurements, such as taking advantage of the workers' spirits of the sense of being masters, improving planning mechanisms, and realizing common prosperity. All the above opinions deepened the understanding of the market economy system.

**Xinghua Wei actively explores a new realization form of public ownership and promotes comprehensive coordinated state-owned enterprises reform.**

In 1986, Xinghua Wei proposed that reform of the socialist economic system include not only reform of the management system but also of the operation of the economic system and of the concrete form of realization. When theoretical circles in our country were still focused on reform of management systems, Professor Wei was already emphasizing issues of realization of form. He argued that the socialist economic system should not simply be reduced to management systems. The socialist economic system should cover the concrete form of operation and realization, such as those of public ownership, distribution according to work, and so on.<sup>27</sup> He also pointed out that in order to develop public ownership we should improve the realization form of public ownership. His opinion about reform in operation and realization form of public ownership matched the policy of the party central committee.

Professor Wei insists that one of the effective ways to develop and complete public ownership is to improve its realization form. He confirms the role of the joint-stock system in improving reform of state-owned enterprises and completing realization form of public ownership, and opposes mandatory regulations. According to his theory, though the joint-stock system is one of the realization forms of public

ownership, it does not mean that the joint-stock system belongs to public ownership. The joint-stock system is an organizational or an operating form of capital. The nature of a certain joint-stock system depends on the nature of capital invested in it. And the operating form of capital is not at the same level with ownership. The joint-stock system organized by private capital remains private. The state-owned economy and collective economy are forms of existence of public ownership instead of its forms of realization. The joint-stock system could be the realization form of both capitalist private ownership and socialist public ownership. It is incorrect to equate the “realization form” and the “existence form,” or to claim that the joint-stock system replaces state-owned economy and collective economy.<sup>28</sup> In order to maintain the primary status of public economy and the leading role of state-owned economy in practice, we should explore the new realization form of public ownership, and improve the system of supervision of state-owned capital, and the corresponding laws and regulations. Special attention should be paid to the regulation, reform and restructuring of state-owned enterprises so as to make public capital play a bigger role through the new form, the form of the joint-stock system.

As to the model of reform of state-owned enterprises, Professor Wei argues that it should be carried out on the basis of concrete situation of different cities and enterprises, and the system, mechanism, management and so on should draw the same attention. In the early stage of reform, competition among state-owned enterprises met with opposition. Professor Wei argued that since socialist public economy needs the development of commodity economy and the reform of the economic system, then the issue of competition between enterprises would be the objective requirement of reform of the system of economic management. Competition could overcome the disadvantages of low efficiency, and it would be an important way to revive state-owned enterprises and deepen reform of the economic system. Competition exists not only between state-owned enterprises and private companies, but also among state-owned enterprises. In recent years, Professor Wei pays more attention to state-owned enterprise reform, and points out that the deficit of many state-owned enterprises is actually caused by poor management instead of ownership. Thus he proposes to attach special importance to the workers' spirits of the sense of being masters in addition to motivation and regulation mechanisms. His work enriches the theoretical exploration of the reform of state-owned enterprises, and offers valuable proposals for the improvement of management mechanisms of state-owned enterprises.

**Xinghua Wei stresses that we should be concerned with the quality and benefits of economic development, and transform mode of economic growth.**

Professor Wei points out that in the 43 years from 1953 to 1995, there were 13 years with growth rates exceeding 12 percent. This rapid growth led to radical

changes in China's economy and harmed scientific use of natural resources, and maintenance of proportional relations in the economy. We should gradually evolve from quantitative expansion toward optimization of quality. He does not agree that high inflation is bound to accompany high growth rates. We should find the appropriate balance between growth rates and inflation. Considering national conditions and the sustainable and stable development of the economy, we should not pursue super-fast growth rates. He also focuses on the relation between economic development and environmental protection. We should practically protect, rationally exploit and economically utilize natural resources.

As for the pattern of growth, Professor Wei points to two aspects of promoting economic growth. One is increase in quantity. The other is increase in productivity. It is incorrect to simply focus on the speed of economic growth, because the core of growth should be an increase in productivity. He criticizes the fact that there is no index of productivity growth in China's systems of statistics, and there are few systematical measures of productivity in economic statistics databases. That will harm improvements in productivity. Professor Wei stresses the importance of scientific and technological progress, and improvements in the comprehensive education of workers. In his opinion, the close integration of technological education and the economy is the key to transforming patterns of economic growth. He also points out that in order to transform economic growth patterns, we should consider optimization of economic structure, scientific management, and the transformation of the operation of enterprises. We should also pay special attention to the transformation of the economic and political system, including reform in investment systems and in appraisal systems of leading cadres' achievements.<sup>29</sup> These opinions on inherent economic laws are of practical importance even at present.

**Xinghua Wei devotes much attention to reform of the income distribution system and distributive justice.**

Professor Wei thinks we should eliminate and prevent both equalitarianism and the trend of growing gaps in income. If we blanket labor with capital, science and management, it seems that skilled work and management are not labor factors. In fact, when we talk about labor in the sense of production factors it includes labor provided by skilled workers and managers. Professor Wei puts forward his own opinions on the combination of distribution according to labor and distribution according to production factors. First, distribution according to labor should be implemented in socialist public economy, and distribution according to production factors in foreign investment and the private sector. Also the distribution relation could be on the basis of the ownership structure in mixed ownership. Secondly, distribution according to production factors would only exist when different production factors belong to different owners. Thirdly, distribution according to

labor could not be equated to distribution according to production factors. In socialist economy, when laborers participate in distribution procedures they should act as owners and masters of means of production instead of only the providers of labor factor in the production process. Fourthly, the current distribution pattern could not be summarized as distribution according to production factors such as capital, land and labor. That would deny distribution according to labor. Fifthly, distribution according to production factors in the first place means distribution according to ownership. Distribution is also restricted by market mechanisms.

Xinghua Wei firstly raised the opinion in 1988 that we should pay attention to adjust and solve the social problem of unfair distribution. The nature of socialist economic system reform is the transformation of mechanisms of economic interest. Thus we should attach importance not only to transformation outside the enterprises, but also to transformation of interest mechanisms inside the enterprise, especially the reform of wage systems, on the basis of distribution according to labor. According to Professor Wei's theory, the government should control the proportion of accumulation to consumption at the macro-level, and set the total amount of wages reasonably. When handling the relationship of individual income distribution, we should deal with both the problem of equalitarianism and the issue of unfairness in social distribution. Professor Wei believes the solution lies in the improvement of the tax system, the establishment of wage levels, and control of excessive increases in income in certain sectors. Those targeted suggestions promote the reform of wage systems and the rationalization of distribution relations.

Xinghua Wei has consistently believed that it is incorrect to use the concept of "giving priority to efficiency with due consideration to fairness" to guide reform of the distribution system, even though this concept has long been popular. In his view, "giving priority to efficiency," as the requirements of production, is a matter of course. However, as the counterpart of the allocation principle of fairness, it is problematic because it focuses too much on efficiency while not attaching enough importance to fairness. In the teaching materials that he has edited, he has consistently maintained that in the field of distribution, efficiency and fairness should draw equal attention, in order to achieve both. In short, he advocates that we should emphasize efficiency in the field of production, and fairness in the field of distribution. Xinghua Wei has published many papers in the debate among theorists on this issue in recent years to discuss his point of view. He advocates adjusting the formulation of "giving priority to efficiency with due consideration to fairness" which has been prevalent for years.<sup>30</sup> Xinghua Wei's theoretical views on the income distribution system have drawn the attention of academia and government departments, and coincide with the spirit of the party's 17th Congress report that "a proper balance will be struck between efficiency and equity in both primary distribution and redistribution, with particular emphasis on equity in redistribution."

**Xinghua Wei promotes new construction of the political economic theory and system.**

He pays careful attention to progress in the study of Chinese political economics. He has published many articles concerning the objects, contents and methodology of the study of political economy, and has made many suggestions about the construction of political economy. In his opinion in order to develop economics in China, different schools should be cultivated and encouraged. We should strengthen the guiding status of Marxist theory, and observe beneficial parts and analysis methodology of western economics. He also points out that with the development of new technology around the world, the scope for study of political economy should be widened. We should not be restricted by traditional and narrowly defined level of relations of production. The development of the knowledge economy and information economy, the progress in new technological reform, and the evolution of economic globalization all have a growing impact on the development of productivity and relations of production, and the adjustment of economic structure and operating order, and call for new theoretical analysis. Socialist political economics researchers should pay attention to the study of relations of production. There are still many unsolved issues in this field. Meanwhile we should also study the topics that have a close relation with productivity, such as the allocation pattern of resources, economic operation mechanism, economic structure, and economic growth patterns. Professor Wei points out that if we ignore the study of these economic interests, the socialist political economy would be unbalanced and lack vitality. We should emphasize the common points of objects of study in socialist and capitalist political economy, and we also should recognize the differences caused by different interests.<sup>31</sup>

Xinghua Wei attaches importance to theoretical innovation. He points out that theoretical innovation should stick to the innovation and the development of Marxist theory, rather than to alienate and break from Marxism. He thinks that one problem should be solved, that theoretical innovation must be based on the development of Marxism. So that Marxism can reflect the reality, and guide practice. We must correctly handle the relationship between the “source” and “flow” of theory innovation. He points out that it is not correct to treat the negation of Marxist basic principles as theory innovation. For example, some scholars opposed the Marxist labor theory of value and theory of surplus value, and publicized the “factor of production” theory, which defends the capitalist system. But these scholars claimed to keep pace with the times and to provide a new theoretical basis for China’s reform and opening-up. The abandon of Marxist labor theory of value and theory of surplus value is not theoretical innovation, but the distorted and misleading understanding of advance with the times. It is the negation of Marxism. And “theory innovation” which opposes Marxism and lacerates Marxism, loses the inheritance chain with Marxism, and also loses the original innovation connotation.<sup>32</sup> Professor Wei’s

views have been widely recognized in circles of economic theory. Many of his articles are included in *Selections of the Project of the Study and Development of Marxist Theory*, published by the propaganda department of the CPC central committee and its educational press. For example, his two articles, “The Inheritance and Development of Marxist Political Economics” and “Political Economics and Economics,” published by the *People’s Daily*, are included in the 2005 edition. His two articles published in *Guangming Daily*, “The Accurate Understanding and Grasping Marx Share-holding System Theory” and “The Correct Understanding of Marx’s Theory About Rebuilding Individual Ownership Theory,” and also “Das Kapital and Socialism with Chinese Characteristics of Innovation and Development,” co-authored with Professor Yu Zhang, were all included in the 2007 edition.

**It can be seen from the entire academic career of Xinghua Wei that the construction of the scientific socialist economic system has been his life-long pursuit.**

He believes all great minds are extremely wise and brave. Thus he never moves with others facing cardinal issues and does not hesitate to prevail over all dissenting views even at the cost of arguments and criticisms. He straightforwardly persists in his own opinion in academic study regardless of political tides or theoretical fashion. He does not take positions on issues according to the political or academic atmosphere of the time. His actions are guided by the motto to never blindly obey books, political leaders, or popular ethos, and he follows his own way regardless of whatever others say.

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## Notes

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