

Equ(al)ity and Community in China after Forty Years of Economic Reform: Sinicised Marxism and “Socialism with Chinese Characteristics” in Crisis

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Abstract

We suggest a methodology that combines a refined conceptual approach with a theoretically-inspired empirical assessment, to analyse how Sinicised Marxist theory as well as practice has invariably emphasised Marx's philosophy of history, rather than any version of Marxist egalitarian political philosophy, and therefore developed a culturally distinctive version of Marxism as totalitarian and subsequently authoritarian (rather than democratic) socialism. We argue that Chinese socialism has appropriated and applied socialist ideals to China's post-cultural-revolution development into an economic reform agenda without political transition. We suggest that China today runs an ethically and politically problematic regime under which the people enjoy neither sufficient social justice nor decent community values. Such lack of equality and community represents a major inherent contradiction of “socialism with Chinese characteristics,” which has to accept and even accommodate increasing inequality to drive future growth. This contradiction also makes the so-called Chinese Dream more one of national aggregate prosperity than a dream for the Chinese people.

Keywords: Socialism with Chinese characteristics, Sinicised Marxism, equality, social justice, community

Pravičnost (enakost) in skupnost na Kitajskem po štiridesetih letih ekonomskih reform: Kriza siniziranega marksizma in »socializma s kitajskimi posebnostmi«

Izvilleček

Za analizo sinizirane marksistične teorije ter prakse, ki je bolj kot katerokoli različico marksistične egalitarne politične filozofije poudarjala Marxovo filozofijo zgodovine in tako razvila kulturno razlikovalno različico marksizma kot totalitarnega in kasneje avtoritarnega

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(namesto demokratičnega) socializma, predlagamo metodologijo, ki izpopolnjen konceptualni pristop združuje s teoretsko navdahnjenim empiričnim ovrednotenjem. Zagovarjamo tezo, da kitajski socializem uporablja in si prisvaja socialistične ideje za program razvoja ekonomskih reform po kulturni revoluciji brez politične tranzicije. Menimo, da Kitajsko dandanes vodi etično in politično problematičen režim, ki ljudem ne zagotavlja niti zadostne družbene pravičnosti niti dostojnih vrednot skupnosti. Takšno pomanjkanje enakosti in skupnosti predstavlja pomembno inherentno protislovje »socializma s kitajskimi posebnostmi«, ki mora sprejeti in celo negovati povečanje neenakosti za doseganje prihodnje rasti. Tako imenovane »kitajske sanje« postanejo torej skozi to protislovje bolj sanje o skupni nacionalni blaginji kot pa sanje za kitajsko ljudstvo.

Ključne besede: socializem s kitajskimi posebnostmi, sinizirani marksizem, enakost, družbena pravičnost, skupnost

Introduction

In late July 2018, social networking platforms across China were discussing a vaccine scandal, and then a lot of attention was attracted by a new round of the #MeToo movement. The vaccine scandal exposed various regulatory loopholes, challenged the top leaders' responsiveness, damaged the government's legitimacy and reduced the credibility of Xi Jinping's "Chinese Dream" project, because the government regulations failed to prevent substandard vaccines from being used in a compulsory public-health program and allowed numerous children to suffer or even die from getting injected with these products.¹ In the following days, some more #MeToo news was presented: additional sexual harassment and assault cases were revealed by their victims, and several prominent men within media, NGO, academic and activist circles were accused of misconduct. However, a surprising thing then happened: the woman involved in the #MeToo stories were soon widely judged and criticised for supposedly attempting to "distract" social media users from the vaccine scandal.²

This series of events happening in China within around five days can be seen as an epitome of the social and political crises of Chinese socialism. On the one hand, people find that the government cannot protect their well-being or values. It also fails in

1 For two informative English analyses of this, see Rebecca Tan 2018 and *The Wall Street Journal's* Editorial Board (2018) "China's Vaccine Scandal."

2 For a rare, direct report on this, see James Griffiths (2018).

protecting citizens' civil rights and freedom of speech,³ and in securing the people's livelihood that it has always promised and proclaimed as its mission. More specifically, for example, it cannot help with the parent-child relationship that is believed to be most valued by Confucian traditions, nor can it help ensure the safety of the country's children⁴, who have become increasingly precious since the One-child Policy was introduced. Ironically, the regime has put itself in a Hobbesian trap: the citizens have transferred almost all their rights to the state, but the state cannot even ensure "the security of a man's person, in his life, and in the means of so preserving life" (Hobbes 1651, 82).

On the other hand, Chinese citizens are easily mobilised to engage in mutual attacks: unlike what the ideals of Confucianism or communist collectivism may imply, in general they do not trust each other, and would rather live self-centred atomised lives. Faced with the problems of fragmentation and clustering (e.g., the simultaneous disclosure of the vaccine and #MeToo scandals) in their own lives, people seldom think of uniting to seek a systematic solution, but instead tend to compete for resources and attention while blaming one another for this competitiveness. The decline or fundamental absence of the community and public life in China has its roots in the traditional Legalist governance model that was introduced in the Qin Dynasty,⁵ and more recently in the totalitarian mass mobilisation model that peaked in the Cultural Revolution.⁶

In the light of notable theoretical and institutional aspects of this issue, the current article analyses how Sinicised Marxist theory as well as practice emphasises Marx's philosophy of history (rather than any version of Marxist egalitarian political philosophy). It represents a culturally distinctive interpretation of Marxism as a totalitarian and then authoritarian form of communism (rather than democratic socialism), which applies and appropriates socialist ideals to China's

3 The most common occurrence on Chinese social networking platforms is the deletion of articles, through the self-censorship of such platforms. Reports on the recent vaccine scandal also encountered large-scale deletion until the Premier and President expressed their concern and determination to solve this problem. The #MeToo story has also been plagued by the deletion of articles, and even blocked and removed accounts, and the final outcome of the Chinese #MeToo movement does not seem as hopeful as that of the vaccine scandal.

4 The "country's children" is not casual rhetoric: according to Chinese socialist collectivism, all children as well as adults are the property of the state, factually owned by the Party-State system.

5 This Legalist governance model is best described by Qin Hui (see Qin 2004).

6 Zheng Yefu (2006) has attributed the crisis of trust and the loss of social bonds in contemporary Chinese society since the economic reform to the political mood of all against all before and during the Cultural Revolution. Notably, he regards the socialist state-owned employment unit (*Danwei*) system as the seedbed for distrust (Zheng 2006, 227–32).

post-cultural-revolution development as an economic reform movement without political transition, and therefore establishes an ethically and politically problematic regime under which the people enjoy neither sufficient social justice nor decent community values.

The History of Chinese Socialism: Discourse Domination and “Historical Nihilism”

Not that the story need be long, but it will take a long while to make it short. It did not take very long to get over the mountain, you thought; but have you got over it indeed?

Henry David Thoreau⁷

It is not easy to outline the consequences of Sinicised Marxism and the history of socialism with Chinese characteristics. However, it is a necessary task before developing normative recommendations for the social syndrome of China, as a convincing description or interpretation is the prerequisite for any possible solution. In the opening paragraphs, we have proposed an approach to aid in understanding contemporary China and Chinese socialism in the light of the main concepts and basic conceptions of contemporary political theory. In this section, we set a background to support our main argument.

Stepping back a bit from the previous example to get a more extensive, general picture, we immediately face the contradiction that exists between the official, dominant discourse⁸ and the alleged “historical nihilism.”⁹ If delving into

7 See Henry David Thoreau’s letter to H. G. O. Blake on November 16, 1857, in Harding and Bode (1958, 498).

8 Since the ruling party believes that it represents history and the truth, the post-modernist term “discourse” is not suitable for its self-sufficiency. Ironically, some of the official mouthpieces are in fact keen to emphasise the “power of discourse” (*pouvoir du discours* in Michel Foucault’s words): one example is an article published on the official website of The State Council Information Office of the PRC (2017), where although Foucault is cited, the author shows himself as rather ignorant with regard to philosophy. In contrast, the term “discourse” itself appears rather nihilistic. It is necessary to say that the alleged opposition between the two terms “discourse” and “historical nihilism” is an amusing historical misunderstanding. However, now the situation might have forced us to use the two concepts to present our understanding of the facts.

9 For a brief definition of historical nihilism and some good cases, see Kate Whitehead’s article with *South China Morning Post* (2017). For a typical single figure regarded as historical nihilist, see Michael Forsythe’s report about Yang Jisheng (2016). For the Party’s attitude against historical nihilism, check an interview at *xinhuanet.com* (2017).

an examination of negative phenomena without sensitivity to the progress and achievements that have been obtained, the orientation and methodology underlying the descriptions and interpretations would be criticised as historical nihilism; if relying on conceptual frameworks within the official, dominant discourse, researchers would lose their prudence, judgment and integral comprehension of history. Fortunately, one important post-totalitarian trend after the Cultural Revolution has been the turn to a more pragmatic performance-legitimacy:¹⁰ under this, the ruling party has to really solve everyday problems related to people's lives and promote social development, rather than gain support for everything by just resorting to ideology. In this way, the continuous reconstruction of the official discourse itself contains historical clues for any outline of what actually happened. It is thus possible to enhance the informative, general understanding of contemporary Chinese history by extracting the changes in official key expressions.

Along with the history of the Reform and Opening-up that is still unfolding, the key transformation of expressions that is crucial for interpreting socialism with Chinese characteristics lies in a change occurring at the turning point of the 21st century in the expression used for Sinicised socialism—from “socialism with Chinese characteristics” to “socialism of Chinese type.”

The phrase “socialism with Chinese characteristics” (*you zhongguo tese shehui zhuyi* 有中國特色社會主義) was mentioned for the first time back in 1982 by Deng Xiaoping, and then adopted by all top leaders and used with reference to the major policies. However, in the 16th National Congress of the CPC held in 2002, the first Chinese character in this influential phrase was removed and the meaning was significantly changed: strictly speaking, the new phrase literally means socialism characterised by Chinese features, or “socialism of Chinese type” (*zhongguo tese shehui zhuyi* 中國特色社會主義),¹¹ which is the reason why this article will refer to this revised official path as simply “Chinese socialism.” After this terminological change, “*zhongguo tese shehui zhuyi* 中國特色社會主義” no longer follows a fundamentalist Marxism or adopts just several localised characteristics. In other words, on weighing the balance of Sinicisation and Marxism, the pointer has once again swung to the side of a Sinicised political system and social order and further away from the original ideas of Marxist socialism.

10 Zhao Dingxin (2009) is one of the earliest researchers using this concept, emphasising that “performance legitimacy” has played a particularly important role both in the history of China and in today's Chinese politics.

11 For a brief distinction between the old and the new slogan, see a report on “people.cn” (2002). People.cn is the online platform created and operated by *People's Daily*, the largest newspaper group in China, and one of the official newspapers of the Chinese Communist Party.

Still, terminology and metaphor are both superficial and inaccurate, and what actually happened at this turning point? During the National Congress of the CPC at which the wording of this phrase was changed, then President Jiang Zemin's "important thought of Three Represents" was emphasised, referring to the "continuation and development of Marxism-Leninism, Mao Zedong Thought and Deng Xiaoping Theory," and written into the Party Constitution of the CPC. Factually speaking, it was the establishment of the Three Represents orientation that enabled Chinese socialism to change from "socialism with Chinese characteristics" to "socialism of Chinese type."

A second key change in China's official discourse was the transformation from an exclusive focus on efficiency into one that would try and deal with "unbalanced and inadequate development." After 1978, one key aim of China's economic reform and Chinese socialism was "efficiency first." "Efficiency first, fairness included" (*xiao shuai youxian, jianggu gongping* 效率優先, 兼顧公平) was further confirmed by the CPC as a principle of distribution¹² in 1993, although its importance was diminished in 2004; in 2005, official documents turned to place more stress on social equity and fairness, as well as the distributive aspects of the economic and social accomplishments that had been achieved since the start of the reform process.¹³ With regard the "new era," the current conclusion about economic development and social justice can be summarised as follows:¹⁴

As socialism with Chinese characteristics has entered a new era, the principal contradiction facing Chinese society has evolved. What we now face is the contradiction between unbalanced and inadequate development and the people's ever-growing need for a better life.

The well-being of the people is the fundamental goal of development. We must do more to improve the lives and address the concerns of the people, and use development to strengthen areas of weakness and promote social fairness and justice. (Dang de shijiu 2017)

The conclusion about the "principal contradiction" was delivered in Xi Jinping's report for the 19th National Congress of the CPC in October 2017. This report can be regarded as the "programmatic document" of Chinese socialism for the new era and for the Chinese Dream,¹⁵ while the "new era" marks Xi's term of office

12 Not primarily a principle of production, but of distribution. This is the most significant point.

13 For a comparison of the two guidelines, see Liu 2005; for the two original CPC documents, see Zhongguo gongchandang 2008 and Zhonggong zhongyang 2002.

14 For a bilingual version of this recent document, see Dang de shijiu 2017.

15 For an official comment addressing Xi's report as the "programmatic document" for the new era, see Shang 2017; for another one addressing the report as the "programmatic document" for the Chinese Dream, see Shijiu da baogao zuochule 2017.

and the Chinese Dream remains his first theoretical contribution to the Sinicised Marxism. Comparing with earlier phases of Chinese socialism, the official discourse of the new era has admitted the fundamental significance of social fairness and the people's well-being.

Now the historical narrative is clear: during the 40 years from the beginning of economic reform to the New Era, the priority of efficiency over fairness and justice characterises the China model—the Chinese characteristics in Chinese socialism. Moreover, since the turning point of Xi's New Era, the people's "need for a better life" has finally been emphasised by the State's strategy. Still, the solution to the issue of giving people a good or better life is determined as addressing "unbalanced and inadequate development:" although the "unbalanced" development can be related to inequality and unfairness, the "inadequate" development implies that the State still regards "development" as the most reliable instrumental orientation to achieve justice and a good life.

There is a considerable development myth at work here: when the state pursues development as fairness or justice itself (officially speaking, "use development to ... promote social fairness and justice"), the Chinese Dream highlighted for the New Era becomes both vague and easy to be alienated from. Despite artfully evoking the American Dream, the Chinese Dream is rather vague in content, scope and horizons, and therefore purposefully serves Xi's political objectives without the need for him to actually deliver specific outcomes as a form of legitimacy in performance. In particular, it provides a powerful slogan to revitalise domestic confidence in the future of the country, at a time when the ongoing rebalancing of the sources of economic growth in China show a relative slowdown compared to the growth seen under the previous president, Hu Jintao, and painful restructuring in many sectors and regions.

On the other hand, by evoking the American Dream, Xi aims to reassure the country's new middle class that China will eventually be able to achieve prosperity, although economic growth has been and will continue to be slower under his leadership, and structural reforms are lagging behind, in both the financial sector and in State-Owned Enterprises (SOEs). Although Xi implicitly aims to reassure the country that the "new normal" will not force the new middle class to tighten their belts, there are increasing signs that in fact they might have to have a smaller Chinese dream than what Xi has inspired thus far. Even more importantly, the opacity of Xi's slogan makes it difficult to understand whether the Chinese Dream, in contrast to its American counterpart, actually aims at something more than material comfort—further expansion and advancement of the middle-income groups—or

something different from middle-class material well-being—i.e. overall national prosperity, promotion of social justice and ascendance in global governance.

Apparently Xi is facing increasing difficulty in convincing the people that China can be “rich and strong” while remaining a one-party state. If the Chinese Dream is not the American Dream, what is it? At the beginning of his term, Xi had to stick to the Party’s long-term plans to achieve a “moderately well-off society” by the time of the Party’s 100th anniversary in 2021, and the creation of a “rich, strong, democratic, civilised and harmonious socialist modern country” by 2049, the 100th anniversary of the People’s Republic of China.¹⁶ But demands for clarity have mounted as middle-income groups grow increasingly worried about environmental degradation and social unrest. In the meantime, the individuals in such groups are probably making their own dreams for the near future, hoping they are not too different from Xi’s.

Therefore, the Chinese Dream for the new era of Chinese socialism has trapped itself in a myth or even crisis, both in the sense of development and in that of justice. By covering up rather than solving the real “contradiction” of the society, this model uses development (especially economic growth) to eliminate other needs, but also finds that even development itself is difficult to sustain.

In this section, we have outlined the historical trends since the start reform and opening up, which show that even if using the official discourse we can always see significant risks and problems in the not-so-long history of Chinese socialism. However, any scepticism about the CPC’s narratives of the past—i.e., anything critical of the Party’s legacy and legitimacy, its past and current leaders or its leadership—is officially expressed as “historical nihilism,”¹⁷ against which a campaign has been launched by the Party.

The phrase “historical nihilism” itself contains a typical understanding of Marxism focusing on the philosophy of history—a teleological and certainly counter-nihilist historicism according to which history has an end and only the Communist Party represents this, both by making history and by interpreting it. The Constitution of the People’s Republic of China, as a document typical of Sinicised Marxism and a perfect example of Chinese historicism, begins with a specific historical narrative about the CPC and the people in both its 1954 and 1982 versions. However, this constitutional relationship between the ruling party and the people is, again, by no means the conceptual ideal of “we the people” in the US Constitution.

16 These are the goals set out by the former president Hu Jintao. See more details at Key points 2008.

17 Cf. Kate Whitehead’s article in the *South China Morning Post* (2018).

Speaking of the Chinese Constitution, in an inspiring report on the Chinese Dream at the beginning of Xi's term, *The Economist* (2013) reported that a number of journalists went on strike in early 2013 in protest over a censored version of an article in a state-controlled newspaper, *Southern Weekend*, titled "The Chinese Dream: a Dream of Constitutionalism." While the original article said that only a division of powers could allow China to become a "free and strong country," the published version did not mention the Constitution.

In addition, when speaking of "we the people" it should be remembered that there is no such democratic and participatory "we" in the Chinese constitutional expression of the people, who are represented by the Party in a rather populist way. As a result, the Chinese people endure not only the crisis of development and the lack of justice, but also the impossibility of uniting to find a way out, or even just discussing their discontent publicly.

Equality and Distributive Justice: Class, Identity, and Opportunities for a Just Socialism

But the difference principle would allocate resources in education, say, so as to improve the long-term expectation of the least favoured... [T]he value of education should not be assessed solely in terms of economic efficiency and social welfare. Equally if not more important is the role of education in enabling a person to enjoy the culture of his society and to take part in its affairs, and in this way to provide for each individual a secure sense of his own worth. (Rawls 1999, 86–7)

Based on the previous historical background, we can argue that in facing the challenges of social justice and public connection (or the lack of these), both Chinese socialism and the Chinese Dream need to draw more on Marxist egalitarian political philosophy and non-collectivist communitarianism, rather than just on a Sinicised Marxist philosophy of history that emphasises the CPC's legitimate past and future.

Nevertheless, John Rawls's theory of justice has set the agenda for all the contemporary debates on equality and community, among which contemporary Marxist political philosophy can also be regarded as a critical and complementary revision of the Rawlsian theorisation. So it is also better, even for the Chinese case, to evaluate an actual social and political structure based on Rawls's distributive justice of the benefits and burdens.

Taking the most extensively used and widely misunderstood concept “equality of opportunity” as the main focus, Rawls’s theory of justice involves at least three approaches to equal opportunities:

A Theory Of Justice establishes two principles: one is that of “equal liberty” that is always to be implemented, involving equality in the assignment of basic rights and duties; the other is the principle of “democratic equality,” which advocates that social and economic inequalities (such as inequalities in the distribution of wealth and authority) should compensate the most disadvantaged members of the society in order to promote truly equitable opportunities and “fair” equality (Rawls 1999, 13, 57, 65).

It is precisely the second principle of justice that clearly and distinctly distinguishes between different types of “equality of opportunity” in the argument about what is needed to achieve democratic equality:

The first type is the formal equality of opportunity, which means various careers being open to talented individuals. It begins with a system of natural freedom, but if no effort is made to regulate the social contingencies caused by birth, this formal equality will lead to a natural aristocracy (Rawls 1999, 57–65).

Two of the obstacles that the formal equality of opportunity cannot overcome include social contingencies (esp. the social class) and natural contingencies (mainly capacities and talents), both of which deeply affect the realisation of equality. In response to this, the second and third categories of equal opportunities are designed to overcome life disadvantages caused by these two contingencies.

Thus, the second type of equality means that social positions and careers should not only remain formally “open” based on the first equality of opportunity, but also ensure that everyone has a fair chance to acquire them; that is, to ensure that the expectations of the people with similar abilities and aspirations should not be affected by the different social classes to which they belong. This is a principle of “liberal equality.” In order to achieve this, beside preventing excessive accumulation of property and wealth, attention should be paid in particular to ensuring fair educational opportunities for all, so that public and private school systems should aim to “even out” class differences.

Furthermore, the third type of equality emphasises that once we treat everyone as equal moral beings, we will not accept the fact that natural endowments impede equal opportunities, at least to the same extent as we do not accept that

social class causes the unequal distribution of wealth and income. In this way, although we might have to admit that as long as some form of family continues to exist, “the principle of fair opportunity can be only imperfectly carried out” (Rawls 1999, 64), we must also focus on reducing the “natural lottery” and its arbitrary influence, and eventually moving toward a democratic equality that is more preferable than those three possibilities of natural freedom, natural aristocracy, and liberal equality.

However, it should be noted that even “democratic equality,” as ensured by the “difference principle,” is still marked as an equal opportunity—except that the wording here highlights “fair opportunity” (not just opportunity in general), revised and pursued as “equality as equality of fair opportunity” or “fair equality of opportunity,” to be distinguished from those types of “equal opportunity” that are merely formally or textually “equal,” but obviously unfair, and therefore unjust.

The concept of “equal opportunity” in the Chinese context of everyday life often ceases its demands at the first level of the above-mentioned Rawlsian classification, i.e., “formal equality of opportunity,” as careers being open to talented individuals is usually understood as the possibility of raising one’s social position. This threshold of formal equality is worthy of attention in such a society where there prevails some other types of inequality that appear more unequal in terms of quantity or quality. But if we only focus on this, we will be normatively defeated by the most ruthless enemies, or trap ourselves in a self-defeating cycle based on the hope that “the most advantaged can be replaced by us,”¹⁸ and turn ourselves into new enemies against public interests.

Even so, the Chinese socialist social structure is even farther away from the Rawlsian egalitarian ideal: not just maintaining a stagnation in the formal equality of opportunity (so as not to present a better ideal than careers being open to talented individuals), but also retreating into increasing inequality of income and wealth distribution (so as not to prevent a natural or even bureaucratic aristocracy).

In the economic sphere, there is extensive empirical evidence¹⁹ on the gap between the significant economic growth in China and the limited improvement of people’s living standards in the western provinces of the country, together with an increasing income inequality between coastal and inner provinces on the one hand, and rural and urban areas on the other. Two type of statistics can be used in the analysis of these distribution gaps: first, we can directly focus on the locations

18 This is translated from a Chinese saying “*bi ke querdai ye* 彼可取而代也,” quoted from *Shiji* (*Records of the Grand Historian*) by Sima Qian in the early Han Dynasty.

19 See for example Piketty et al (2016), Xie and Zhou (2014), Han et al. (2016), Wroblowsky and Yin (2016).

(mainly in rural area) covered by China's recent policy of "precise poverty alleviation,"²⁰ because in general the current political performance is based on previous bad outcomes and inaction; second, the relevant research can also be improved via organising some tables and figures showing the opportunity gaps between the upper and lower classes of China, similar to what Robert Putnam does in his recent book *Our Kids: the American Dream in Crisis*.

Due to the space limitations of a single article, we will summarise the increasing distributive inequality with the Gini coefficient to measure the inequality within Chinese socialism since 1978. First, after decades of the economic reform, China's Gini coefficient reaches 0.483-0.611 (1 being the maximum inequality distribution) according to various different governmental or academic data sources. The main causes of are two structural forces: regional disparities and the rural-urban gap, a context that is entirely different from the United States, where individual and household forces such as family structure and ethnic identity largely determine overall income inequality. (see Xie and Zhou 2014)

Secondly, in addition to regional differences, diachronic differences are also typical of a severe, and ever increasing inequality: from 1978 to 2015 in China, the percentage of national income distributed to the top 10 percent of the population increased from 26 percent to 41 percent, while the percentage distributed to the bottom 50 percent decreased from 28 percent to 15 percent; by a direct comparison, the bottom 50 percent received almost the same amount of income share as the top 10 percent at the beginning of the process of economic reform, while their income share in 2015 was about 2.5 times lower than that of the top 10 percent. The percentage distributed to the middle 40 percent has been roughly stable, although it has decreased slightly after a period of growth and then a plateau. (see Piketty et al. 2016) In the latter sense, the middle-income groups would not just remain sceptical and worried about the Chinese Dream, they would also have suffered from the increasing inequality, although not as significantly and seriously as the bottom 50 percent.

Very different from western countries, another obvious gap in post-reform China exists between ordinary people's social resources and what the State owns, which is based on a fundamental inequality and injustice and a type of authoritarian libertarianism that is also emerging in the political sphere.

Politically, the historical development myth noted above has implied that the Chinese model characterised by meritocratic elitism and consequential authoritarian

20 One good discussion of this poverty-alleviation policy, see Li's article (2015); and for a research on income distribution gap, see Chen's article (2007).

libertarianism are helpless in the battle against corruption, ossification, and the lack of legitimacy, as well as the economic distribution gap that has grown in China since reform and opening-up.

Besides, the development myth also shows that another simple way to understand the problems and difficulties with the political dimension of Chinese socialism is by revisiting China's partial attitude towards economic, social and cultural rights rather than civil and political rights whenever encountering challenges regarding human rights (i.e., livelihood rather than rights, performance rather than procedural legitimacy, etc.). And just like what happens with regard to the economic distribution and opportunity gaps, political rights and the participation gap not only represent the lack of social justice, but also directly contradict political values such as freedom and equality.

Back to the economic dimension, the State-owned system controls everything in a more fundamental way, leading to a more general, all-inclusive distributive injustice of the "benefits and burdens" across the country. This is usually regarded as a blend of state capitalism and bureaucratic capitalism, but to use Nozick-Rawls terminology, "authoritarian libertarianism" is a better concept presenting the anti-egalitarian nature of Chinese socialism. Here the authoritarian leadership system has the factual ownership of all economic and social resources, and dominance over the libertarian competition in the market and other social spheres. Equal opportunities are formally limited to the the Rawlsian "careers open to talents" and influenced by morally arbitrary disadvantages.

The domination of the state-owned enterprises (SOEs) as well as the unique Chinese market system represents a key feature of the country's authoritarian libertarianism. Considering that the socialist market economy is officially presented as the core aspect of socialism with Chinese characteristics, SOE-related issues are indicatively representative of the system. And to judge autumn by a single falling leaf, the Chinese market system essentially reflects the origins of the country's development myth.

If we begin with the more formal direct ownership and output of the State and SOEs, we see that China holds significant direct ownership and control over the means of production. National SOEs dominate the industrial landscape provide the government with enormous direct control of the economy.

To provide some perspective, the total asset base of SOEs in 2016 amounted to 155 trillion RMB, or 208 percent of nominal GDP.²¹ That same year there were 174,000 SOEs concentrated in industry, transportation, and wholesale. This gives

21 All data within this section's analysis of China's ownership structure is taken from WIND Data and self-created using national statistics.

the Chinese state vast control over the economy across everything from agriculture and mining to technology, and there is effectively no sector a Chinese SOE does not dominate.

Since the start of economic reform, except for the obvious transitional injustice of SOEs and especially the ambiguity of their property rights, the market system and development model led by SOEs have shaped the myth and crisis of Chinese developmental socialism. In comparison with Amartya Sen's ideal of "development as freedom," which believes that development entails a set of linked freedoms such as political liberty and transparency, freedom of opportunity, and economic protection from abject poverty (Sen 1999), the Chinese developmental philosophy emphasises justice as development—attempting to solve the problems with fairness and equality via a form of development that is considered to be more "adequate."

In practice, in comparison with India's Millennium Development Goals (Lindstrom 2010), China's development myth is obsessed with economic growth data such as the national economic output and the productivity of SOEs, rather than concentrated on more pragmatic goals for people's well-being, such as eradicating extreme hunger and poverty, achieving universal primary education, promoting gender equality and empowering women, reducing child mortality, improving maternal health, etc. It is quasi-plausible to argue that China might not need to regard these achievements at the threshold level as national goals, because they have all already been realised in the country. But once again, considering the regional and rural-urban disparities, this is not the case. Taking gender and child mortality issues as an example: according to "The Global Gender Gap Report 2017" by the *World Economic Forum* (2017), China's gender equality index ranks 100th out of 144 countries in the world, and India's ranks 108th; for two of the sub-indexes (four in total) "health and survival" and "political empowerment," China falls behind and ranks 144th when India ranks 141st and 77th when India is 15th.

If China's lagging behind India in some key aspects of people's well-being can be arguably related to the lack of identity politics, in the entire previous analysis the series of economic and social inequalities are clearly related to the decline or continuous absence of class politics. Unlike the Rawlsian theory of justice dealing with political issues based on self-identity and membership, China's current economic and political issues with regard to social justice tend to be resting on a hierarchical class structure in the sense of classical Marxism, where on the other hand the former socialist "class" position has been lost in the market system and become an identity status to be regained. This leads us to the next section.

Against Collectivism without Communitarian Communities: Citizenship and Participation in a Community of Shared Future

[S]uch data can't tell us much about the experiences of growing up in a world where fostering opportunity for kids is increasingly a private responsibility, where the sense of "our kids" has shrivelled (Putnam 2015, 263).

According to G. A. Cohen, there is "no group in advanced industrial society" combining the six features that the traditional working class once had, since they: 1. constituted the majority of society; 2. produced the wealth of society; 3. were the exploited people in society; 4. were the needy people in society; and therefore, 5. would have nothing to lose from revolution; 6. could and would transform society (Cohen 2000, 107–8). Partly because of this trend and partly based on a reflection on the Rawlsian focus on the social structure, Cohen stresses the importance of people's personal attitude and choice, as follows:

[E]galitarian justice is not only, as Rawlsian liberalism teaches, a matter of the rules that define the structure of society, but also a matter of personal attitude and choice; personal attitude and choice are, moreover, the stuff of which social structure itself is made (*ibid.*).

However, in contemporary China, while workers, peasants and migrant workers who suffer from economic and political opportunity gaps still have the first four features outlined above, they more or less neither have-nothing-to-lose nor are willing and able to change the world. The reason why they are exploited and needy but not in solidarity or revolutionary lies in the lack of community resources and public life, which may bring us to the further discussion of community and social connection in contrast to an atomised, classless mass society.

In any case, Chinese workers and peasants are not merely and simply exploited by some random type of capitalism, but are exploited by the State-led socialist economic and market system. And this production and market system has been, on the one hand, constantly telling people about the sacredness of the working class, and on the other enrolling them into the tide of capital flows, forcing them to spend almost all their energy to earn a living.

The social union and community formed by voluntary and free association play a crucial role in both solving problems together and protecting ourselves against the dominant political authority acting with the agency of the largest political community in our society (aka, the State as a Hobbesian metaphorical Leviathan). In this sense, we may still rely on Hannah Arendt and others' republican insights into

the coexistence and even causation between isolated and incompetent citizens and the triumph of any totalitarian power (see Arendt 1958). The totalitarian history in communist China and its corresponding collectivism has caused a growing lack of publicness and public spiritedness, and led to the very opposite of what contemporary communitarianism promotes.

If reconsidering a distant tradition, we may immediately recognise that the Chinese traditional political-institutional culture—substantially Legalist with some Confucian appearances (*ru biao fa li* 儒表法裡), and quite different from the Greek and Roman tradition—encourages little informative and deliberative public persuasion and cooperation. As a result, whenever Chinese people, in history or today, have to unite and struggle together against (politically and economically²²) dominant powers or powerful enemies for a better life, they cannot find (or they even never look for) abundant forms of social capital to turn to.

When Cohen stresses personal attitude and choice, we had better always keep alert that the Chinese political tradition, whether it is referred to as a distant Legalist-Confucian system or as a recent socialist-communist one, cannot educate the people how to take a moderate attitude or how to make a just-right choice with regard to the common life and the public sphere.

Back within contemporary Chinese socialism, the overall control of the State as the largest community is primarily reflected in the economic sphere—in the socialist market system. Through either the experiences of workers and peasants or the social-life structure of the large, dominant community, we can academically reach the State's control over the economic system and adopt this as an important indicator to understand the non-communitarian collectivism of the Chinese model. Meanwhile, our previously discussed Chinese development myth implies not only serious distributive injustice, but also the lack of social resources or unions for private and public cooperation and participation.

In other words, commercial business is often the first breakthrough to free association in human history. But in China, even such space for economic possibilities is lacking. Too often when considering whether China is a market economy researchers rely strictly on data with clear dividing lines like economic output as a percentage of GDP. However, this is an error as the Chinese State chooses many other ways to control economic activity. It is important that these less quantitative channels are understood.

The Chinese State exercises enormous ownership control over the economy via channels that do not typically count as state ownership. Researchers err in how state ownership of the economy and output is counted. The common method is to

22 Nothing is merely economic without political elements in the entire past of China.

take state-owned enterprise output and then infer various aspects about the role of SOEs in the economy, but this is a fundamental error.

The term SOE in China is a corporate registration classification and not indicative of the overall level of state ownership of a firm.²³ Just as limited liability corporations (LLCs), limited liability partnerships, or corporations are common forms of corporate classifications, SOE is nothing more than a type of corporate registration in China given the appropriate owners. Many researchers therefore classify non-SOE corporate output as private output. This is an erroneous classification, but leaves us in a difficult area of measurement as non-SOE corporate registrations may be State-owned, private, or some combination.

In his 2008 book *Capitalism with Chinese Characteristics*, Yasheng Huang unpacks the multi-layered complexities of estimating this obfuscated impact of Chinese State ownership. According to his estimates, the State still controls approximately 80 percent of the Chinese economy if we account for these various layers of State holding. (Huang 2008) It is thus important to replace simplistic classifications of State and non-state ownership structures with a more nuanced view.

There are not more recent estimates of the more broadly defined state-controlled economy beyond the 2008 estimate from *Capitalism with Chinese Characteristics*. There is however, little reason to believe this has fundamentally changed, especially in light of the recentralisation we have witnessed since 2015. By one recent estimate, 80% of the aluminium sector is now under State control. It seems unlikely, though we do not have more recent empirical studies, that the level of state control via ownership structures has fundamentally become more market-oriented since 2008.

The level of explicit state control of the economy we refer to here covers instances where a company is not classified as a state-owned enterprise but the state owns a major or controlling shareholding in the company. In this instance, the channel of state control over the firm or economy is explicit though typically classified as private or market. This results in very different investment patterns. For instance, one study found the state-owned firms targeted strategic assets while private firms preferred large markets in which to expand. (see Amighini et al. 2013) There is yet another level of State control that has been exerted more recently.

In the past few years, the Chinese Communist Party has moved to explicitly place the control of firms under Party auspices. In China, there is a split between the State and the Party, with the Party above the State. For instance, the title that matters in Chinese politics is who is the Chairman of the Party Committee. Installing Party committees in firms throughout China gives the Party both explicit

23 As detailed in Hsieh and Song (2016).

and implicit control over a broader range of firms, whether they are State owned, controlled, or fully private.

There are two ways that this control plays out. First, the Chinese state has taken small, symbolic ownership stakes in key non-traditional firms. For instance, China has taken small ownership stakes of approximately 1percent of the market capitalization in tech firms like Baidu, Alibaba, and Tencent (Li 2017). Even though the Party does not exercise a controlling equity stake, the symbolism is not lost on other shareholders as to who is the key decision maker.

Second, the Party committees, just as they do in the governance of the State, technically stand above the executive management and board of directors of the company. (Blanchard 2017) Though this is less than a formal ownership classification or controlling shareholder stake, it is clear who directs the activities of the company. These Party Committees engage in a wide range of activities, from organising Party-building activities through to policing, but also in more tangible corporate decision-making, like appointing key positions, and making strategy and investment decisions.

Both of these channels make it even more difficult to measure the various methods of government control over the economy, but they are undeniably real. Together the channels described here provide strong evidence that the Chinese government exercises enormous direct and indirect control over the means of production in every industry through state-owned enterprises, state-controlled enterprises, and managerial oversight of firms.

The Party and the State's overall control over production activities and economic life has closed the last door for members of Chinese society to any possible free association. In this regard, although Xi Jinping's new era of socialism with Chinese characteristics promises a "community of shared future" for all humankind, it still cannot guarantee the participatory citizenship required for a true common life in a communitarian society. The more serious the absence of community life remains, the more the people lack the willingness and necessary capabilities to live such a life. However, even the economic participation that is available to citizens remains subject to state control and national interests, to the exclusion of other types of social contracts and social interactions.

Conclusion and Further Remarks

One example reflects the whole picture sketched in our entire argument, as set about above: Xi Jinping emphasised in his 2018 New Year address that effort

itself is happiness and a happy life depends on everyone's hardworking hands. By so doing, he shirked the political system and government's responsibility for welfare and social security; however, on the other side of the coin, Chinese people also think little about how the top leader, the ruling party and the centralised government should be held accountable—separately, most Chinese citizens always believe the only agent he or she can always rely on is him- or herself.²⁴

Witnessing this picture and trying to call for public union, we should also never forget that while they are determined to rely only individually on themselves, the people who live in China are most likely working for a company and sector controlled by the Party and the State. Additionally, they are working for the maintenance of the existing economy that remains indispensable to the unjust social and political system.

Based on a basic historical narrative that exists in the narrow gap between the dominant discourse and alleged historical nihilism (Section 1), we see that China is still far away from Robert Nozick's, but even further from John Rawls', normative ideal (Section 2). Furthermore, Chinese socialism is still far away from the ideal Rawlsian social justice, but even further from both Cohen's Marxist egalitarianism and the communitarians' (or republicans') ideal of community life (Section 3).

With reference to the pair of priorities in contemporary political philosophy, neither social justice nor active citizenship has been encouraged and advanced by China's economic reform or socialism with Chinese characteristics. Social justice emphasises equality and moral egalitarianism, and active citizenship emphasises civic virtues and the community; the lack of both leads to an overall decline in both rights and accountability. Meanwhile, in Xi's "New Era," the current Chinese society also shares some common features with the West, including populism, anti-establishment feeling and problems with globalisation.

Moreover, the abovementioned Chinese problems emerge in forms or situations that are even more severe than the West: for example, the globalisation vs. anti-globalisation movements involve global justice challenges brought about by the state-sponsored Belt & Road initiative; the politically systematic anti-establishment feeling includes some clear totalitarian residue and may have serious constitutional consequences; and populism characterised by exclusive citizenship reflects not only narrow self-interest, but also the absence of community identity.

In order to be more relevant to improve our understanding of the peculiarities of the Chinese system, we suggest further theoretical and empirical research follows Marxist egalitarian political philosophy (for justice) and non-collectivist communitarian nationalism (for the community) to examine the issues raised in this work.

24 For a typical figure and story, see Chang (2008).

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