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### Asking for Guidance

Deng Xiaoping visiting a Panasonic factory in 1978. Source: Panasonic Japan.

# How Global Capitalism Became Humanity's 'Fate' in Xi Jinping's New Era

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**W**estern media regularly and casually suggest that China is pursuing 'world domination' (The Economist 2021). US national security officials evangelise the view that the country has a 'grand strategy to displace American [global] order' and perhaps even reduce their country to a 'deindustrialized, English-speaking version of a Latin American republic' (Doshi 2021; Lind 2020). The Biden administration, in line with such views and its immediate predecessors, has characterised China as the 'most serious long-term challenge to the international order' (Forgey and Kine 2022).

Beijing rarely has effective responses as it tries to insist that it, not Washington, is a true defender of multilateralism and global stability. After successive rhetorical frameworks declaring China's 'peaceful rise', advocating a 'new type of major country relations', and insisting on the possibility of a 'win-win' relationship with developed Western states, Beijing's most recent slogan of choice is the cryptic call for a 'community of shared future for all mankind' (*renlei mingyun gongtongti* 人类命运共同体). A slightly more accurate English version, which as we will see would better reflect the phrase's etymology, is the 'human community of fate'.

It was this formula that took top billing when Chinese President Xi Jinping gave the most agenda-setting foreign policy address of his tenure thus far, in his September 2015 speech before the UN General Assembly. The slogan has since been advanced in Chinese resolutions at the United Nations and other important forums, included in thousands of official statements, and even written into the Preamble to the Constitution of the People's Republic of China (PRC) (Qian 2019). So, if the phrase is anything more than just empty verbiage, what does it imply for global society?

Somewhat surprisingly, the genealogy of Xi-era Beijing's most important foreign policy slogan has less to do with Marx or Mao than with mid-twentieth-century German Christian Democrats and

Japanese industrialists. Rather than some novel Sinocentric order, *renlei mingyun gongtongti* is ultimately about enshrining the core ideas and practices of today's extant capitalist order.

## Romantic Origins

The expression 'community of fate' seems to have first become widespread as the nineteenth-century German expression *Schicksalsgemeinschaft*. Literally referring to a community (*Gemeinschaft*) of fate (*Schicksal*), the term was sometimes used to describe the various German-speaking lands undergoing gradual coalescence into a unitary nation-state. By the early twentieth century, this term often referred to the romantic idea that a shared 'fate' united the German (or any other) people, regardless of state borders or internal class conflicts (Weber 1991: 176; Bauer 1907; Renan 2012).

This flexible notion was taken in different directions by various voices in European politics. It was cited by forces as incompatible as leaders of the Social Democratic Party of Germany, Catholic corporatists, Nazis, and even European integrationists, though orthodox Marxists were sceptical of appeals to communal identity not based on class relations.

None of those early twentieth-century uses, in any case, directly impacted on Chinese political discourse in any meaningful fashion at the time. Instead, like many other modern political terms, *Schicksalsgemeinschaft* was introduced to China via its reception in Japan, where it was rendered into Kanji characters as an item of '*wasei kango*' ('Japanese-made Chinese'). Today's Chinese term, *mingyun gongtongti* (命运共同体)—that is, 'community of fate'—is fairly easily traced to the original German expression via the discourse of *unmei kyōdōtai* (運命共同体) that emerged in 1930s Imperial Japan. Though it never exclusively denoted the Japanese drive for a 'Greater Asian Co-Prosperity Sphere', that was indeed the context to which it most often referred in Chinese texts of the period, generally now-forgotten collaborationist tracts, or direct translations from Japanese (Shanghai Branch of the Chinese Federation of the East Asian League 1942).

In the postwar period, of course, that history was seen by most in China as something to be either condemned or ignored. It would be decades before the term reappeared in wide usage, by which point its brief association with Japanese imperialism and more distant European political debates was almost forgotten. Ironically, however, it would ultimately be reintroduced to China primarily by association with Japan and Germany. Meanwhile, the term's new implications in Chinese discourse from the 1980s also closely mirrored its changing meanings in those countries.

While *Schicksalsgemeinschaft/mingyun gongtongti* initially referred mainly to a romanticised 'unity before fate' of peoples or cultures (even ones as contestable as 'Europe' or 'Asia'), by the late twentieth century, it became a way of portraying economic relationships as reflections of a fixed, unchangeable destiny.

## Exporting Modernity

When *mingyun gongtongti* came back into Chinese discourse, it was again due to Japanese influences—this time in a primarily economic context. A small number of (negative) references to the term *mingyun gongtongti* appeared in the *People's Daily* in the 1960s and 1970s in connection with the developing United States–Japan–South Korea regional security alliance (Qian 2019). However, the term did not catch on at this point in Chinese discourse—certainly not in any positive sense. Instead, the floodgates for the term's new reception were opened in October 1978, two years after Mao Zedong's death and two months before the Third Plenum of the Eleventh Party Congress—the meeting of the Chinese Communist Party (CCP) that is viewed as the official start of the 'Reform Era'. As CCP Vice-Chairman Deng Xiaoping's modernisation and 'opening-up' push was gestating, he made an important symbolic visit to Japan with officials including members of China's National Economic Council, seeking to frame Beijing's new approach to political economy (Wu 2021).

Both the visit itself and subsequent reports produced by its participating economists were to have significant impacts on aspects of the early reform period. Among the symbolically important episodes was Deng's tour of a colour television factory in Osaka with Panasonic founder Kōnosuke Matsushita, during which he explicitly asked the latter for guidance on China's economic modernisation,

entreating: 'Mr Matsushita, you are called the god of management in Japan. Would you be willing to help us advance the modernisation of China?' (West 2020).

Matsushita, along with Sony co-founder Morita Akio and other leading postwar Japanese CEOs who had developed reputations as management gurus and public intellectuals, had promoted the idea of a 'community of fate between workers and management' (*rōshi unmei kyōdōtai* 劳使運命共同体), as a kind of third way between capitalism and socialism (Itō 1973). In practice, that supposedly new path mostly just referred to Japan's prevalent 'company as family' approach, emphasising loyalty, 'lifetime' job security, strict seniority structures, low lateral mobility, limited collective bargaining power for workers, and ambitious productivity goals in the service of world-beating exports.

Though this system was sometimes seen as representing patriarchal or even remnant feudal aspects of Japan's corporate world, Morita and especially Matsushita gave it a more grandiose image by drawing on quasi-Buddhist cosmic themes. These, for example, are still spread today via the Peace and Happiness Through Prosperity (PHP) Institute, founded by Matsushita in 1946 after several years contributing to Tokyo's wartime economic program, which aims to develop corporate leadership skills and free the 'untrapped mind ... capable of transcending all concern for profit and loss, ideology, power, and social status' (PHP Interface 2022).

Naturally, during Deng's conversations with Japanese industry leaders, he did not explicitly embrace any of these more esoteric ideas. However, he did much to establish the basis for the reception of Japanese-style economic organisation as a compelling ideal in Reform-Era China. The notion of looking to Japan for guidance in transforming a 'backwards' China was one that Deng reiterated throughout the trip. After seeing robots in use at one of Nissan's automobile factories and hearing about the extraordinary advances in industrial productivity the company had achieved, for example, Deng had openly declared: 'Now I understand what modernization is' (Vogel 2011).

After this historically important journey, one of its participating economists, Ma Hong, wrote a report in which he echoed Deng's positive appraisal of the lessons to be learned from Japanese capitalism. Among the aspects that Ma picked out for analysis was the Japanese notion of the community of fate between owners and

workers. The concrete aspects of this arrangement that Ma identified were lifetime employment, benefits tied to overall company and individual performance, a clearly defined seniority system, and company culture promoting belonging and esprit de corps (Ma 1979). While carefully noting that all these remained ultimately ‘methods for the capitalists to carry out exploitation’, Ma nonetheless praised the model’s practical utility. Indeed, he even adopted the *mingyun gongtongti* concept into some of his own subsequent writings (Ma 1981).

As vice-president and then president of the Chinese Academy of Social Sciences (CASS), as well as founding director of the PRC State Council’s Research Centre of Technology and the CASS Institute of Industrial Economy, Ma’s influence in the early 1980s was significant. He was also one of those who did the most to promote the notion of a ‘socialist market economy’ (Weber 2021). His influential 1979 report, and the study trip itself under Deng’s unofficial leadership, marked a turning point at which the *mingyun gongtongti* notion started to become a fixture of Chinese discourse.

Fittingly, Matsushita Corporation (Panasonic) factories sprang up in China throughout the 1980s as one of the earliest models of Chinese–foreign joint enterprises. By the late 1980s, the firm’s Chinese factories were helping to achieve the founder’s stated goal ‘to create material abundance by providing goods as plentifully and inexpensively as tap water’ (PHP Interface 2022). Whatever its philosophical origins, that aim fitted well with the Deng-era Party’s drive to ‘develop the forces of production’ in China. At the same time, the Japanese corporate credo of companies as ‘communities of fate’ increasingly caught on, seeming to capture the spirit of the times.

## Stability and Risk

Throughout the 1980s, the term *mingyun gongtongti* gained currency with academics and eventually Party officials as a shorthand way to describe corporations that would be productive while avoiding some excesses of free-market competition and exploitation. Often explicitly linked with the Japanese examples then stunning their Western rivals, this discourse suggested that China did not have to look exclusively to Anglo-American capitalism as it transitioned

away from a state-led economy (Zhang 1985; Huang 1985; People's Daily 1989; Chengdu Party School Research Office 1992; Chen 1996).

Although it was never a fully fleshed-out concept, the expression had appeal in part because the CCP itself at this time was deeply divided over the nature and pace of economic reform (Weber 2021; Gewirtz 2017). During these years, especially between 1987 and 1989, when Zhao Ziyang served as general secretary, an ideological contest raged between blocs of 'pragmatists' and 'package reformers', in which the former argued for caution about the latter's Friedmanite strategies of price liberalisation, privatisation, and deregulation (Weber 2021; Tooze 2021).

Aside from Japan's corporatist ideologues, a still more important source of support on which pragmatists could draw was German ordoliberalism—a loose body of thought associated with thinkers of the Freiburg School, such as Walter Eucken and Franz Böhm. In general, ordoliberals discouraged one-size-fits-all-style reforms and instead promoted ideas related to building an 'economic constitution' for society. While encoding many supposedly fundamental economic rights and relationships in law, the ordoliberal approach differed from Anglo-American ideals of *laissez faire*, and free and deregulated markets, especially as crystallised during the Reagan–Thatcher era. Instead, figures such as long-time Christian Democrat minister of economics Ludwig Erhard—credited as one of the main authors of West Germany's postwar *Wirtschaftswunder*—had invoked ideas of a 'social market economy', with regulatory action to safeguard ideal market outcomes and distribute responsibility (Cerny 2016; Slobodian 2018; Hentschel 1996). It was no coincidence that the 'socialist market economy' that would be promoted by Ma Hong and others closely resembled this West German formula.

Combining a commitment to market freedoms with an emphasis on rules to keep their operation orderly (and, ostensibly, to mitigate knock-on effects such as inequality) might seem well suited to a society transitioning away from state planning. However, explicit ordoliberal influence on Chinese economic discourse receded after 1989. Some pragmatists drawn to German-style orderly reforms left Beijing after Zhao Ziyang was removed from power over his refusal to support violent suppression of protesters. In the ensuing Jiang Zemin era, especially after the call to restart economic reform signified by Deng's 'Southern Tour' of 1992, rapid liberalisation in the economy was juxtaposed with a continued commitment to

unchecked Party fiat. Spectacular and unequal wealth creation took place alongside mass exploitation of workers, rampant corruption, pollution, and other social ills. Rather than checking these trends with strict oversight, China's ensuing path to the World Trade Organization (WTO) more often involved removing existing regulations seen as overly protectionist.

China's rapid shift in the 1990s to becoming an export-oriented, trade-surplus-generating economy was thus very different from the 'Erhard miracle' of postwar West Germany. Nonetheless, German discussions of *Schicksalsgemeinschaft*, which had often been invoked by ordoliberal policymakers in the contexts of German and especially European economic integration, had a major new impact on Chinese *mingyun gongtongti* discourse. As the 1990s saw a dramatically new order constructed in Europe, largely based on economic interconnections and technocratically governed trade relations, the 'community of fate' notion became the byword for the project of European regionalism. Influenced by this example, Chinese commentators began to apply the notion to the relationship between mainland China and Taiwan, suggesting a path to unification by means of growing trade ties. This formula for the relationship with Taiwan was eventually endorsed by Jiang's successor, Hu Jintao, at the Seventeenth Party Congress, in October 2007 (CCTV.com 2007).

That same year, premier Wen Jiabao also broadened the term to refer to China's relationship with Asia in general. At the East Asia Summit held in Cebu, Philippines, he called for a 'new kind of community of fate that can develop together in tranquil times and respond together in times of crisis' (Oriental Morning Post 2007). These uses, referring to solidarity before shared risks, mirrored increasingly frequent references to the concept in Europe as what would become the Global Financial Crisis (GFC) of 2008 gathered pace (Kundnani 2018). Between 2008 and 2012, as European leaders frequently invoked the notion of the fragile eurozone as a *Schicksalsgemeinschaft* whose existential unity must be preserved, the CCP leadership under Hu's loose management also increasingly embraced the idea (Sina.com 2012).

It was during Hu's second term that the *mingyun gongtongti* idea as used in China fully took on its present implications for global geopolitics and geoeconomics. As the fallout from the GFC continued, and China embarked on a massive campaign of debt-fuelled infrastructure spending that was credited with rescuing the

global economy, the CCP was also formulating new foreign policy ideas. The crucial 2008–12 period, during which Xi Jinping served as a vice-premier, was when the CCP formulated its current positions on a host of major issues, including the need for stable, rules-based international economic governance, a more decisive rejection of Western efforts of democracy promotion as well as NATO-led humanitarian interventions, and the need to invest China's own capital abroad to facilitate the country's dramatic transformation from a net debtor to a net creditor state.

## Fated Relations

The period between 2008 and 2012 is also crucial for understanding the subsequent Xi era because—for the first time since Deng's Southern Tour—it saw the resumption of major ideological debate about the fundamental direction of China's political economy. Marking a partial return to the ordoliberal-influenced positions of the 1980s, the Hu–Wen leadership promoted regulatory efforts to curb the social and environmental excesses of the Jiang era's almost unchecked capitalism. Meanwhile, Chongqing Party secretary Bo Xilai staked out a radical position in favour of a turn back to more redistributive policies and invoking the Mao-era slogan of 'common prosperity' (共同富裕), alongside other callbacks to the pre-Deng period. Although Xi defeated Bo's implicit political challenge to become the core of the Party's next generation of leadership, his subsequent agenda has often borrowed from his erstwhile rival, as well as from the Hu-era Party leadership. Though Xi has attained a remarkably elevated intraparty status and his 'Thought' now stands unquestioned, the content of that Thought consists almost entirely of a grab-bag of intraparty consensus positions circa 2012.

It is in this context that the dramatic new emphasis on the term *renlei mingyun gongtongti* should be understood. The 'human community of fate' concept was in fact first articulated by Hu Jintao at the Eighteenth Party Congress in 2012, which concluded his second term (Hu 2012). Significantly, it was used in reference to PRC positions on a host of international policy challenges, including both the risks of an unregulated world economy put on display in the GFC and the 'instability' generated by the revolutions of the US-supported Arab Spring movement. All chaotic forces—whether those of unrestricted capitalism, environmental disaster, or

democratic protest movements—are potential threats to stable, rules-bound growth. The term's subsequent uses by Xi and other officials have reiterated this sensibility (Wang 2021; Xi 2013).

A decade on from Hu's use of the term in 2012, the 'human community of fate' idea is now a pillar of Xi Jinping Thought on Socialism with Chinese Characteristics in the New Era (习近平新时代中国特色社会主义思想). All PRC foreign policy positions are, one way or another, made to fit into this schema. To be sure, academics regularly secure funding and write publications discussing the 'meaning' of the concept, such as a notable recent initiative by international law scholars under the aegis of the Ministry of Foreign Affairs (Research Team on Community of Shared Future for Mankind and International Law 2019). However, their conclusions tend just to reiterate China's longstanding positions on issues such as the legitimacy of the UN system, commitment to the basic principles of international law, emphasis on supporting development in the Third World, calls for increased global economic cooperation, and so on.

If there is something new in the *mingyun gongtongti* idea as deployed today by Beijing in countless forums, it is a feature that is shared by another of Xi's borrowed umbrella terms: 'common prosperity'. In both cases, the ideological platform carries an implicit critique of raw capitalism and its proclivities for both crisis and exploitation. In practice, however, that critique has only been invoked to check the most egregious forms of the 'savage growth of capital'—as seen in the limited crackdowns on China's tech and property sectors—without signifying any commitment to a more robust redistributive socialism, locally or globally. As was already the case in its early twentieth-century uses, the community of fate concept in modern China is most relevant as a way to diminish the relevance of class-based political struggles by invoking a rhetoric of 'destined' solidarity.

The major Xi-era international policies such as the Belt and Road Initiative, the creation of the Asian Infrastructure Investment Bank, increased participation in UN organisations, and active commitment to the WTO system, as well as pursuit of overlapping regional free-trade agreements—all fit well with a broad agenda of greater economic integration and stabilisation via rules-based institutions that, ultimately, reinforce the capitalist order as such (Shaffer and Gao 2020; Ewing-Chow and Losari 2020; Gelpert et al. 2021).

In the end, the concept rules out the idea of China forging some radical, disruptive new path of the type Western national security analysts ascribe to Beijing in their regular breathless warnings. Instead, stability of the extant order, including many of its inherent inequities, is paramount. As Xi himself said in his 2017 speech at Davos, economic globalisation is an ‘irreversible historical trend’, based on objective historical laws and conditions: ‘Whether we like it or not, the global economy is the big ocean that we simply cannot escape’ (He 2021). ●