ECONOMIC GROWTH AND THE IMPACT OF CHRISTIAN IDEAS IN POST-MAOIST CHINA

Stephan Rothlin*

Abstract

China's growth strategy followed a standard, mechanistic recipe for catch-up growth that is relatively undisputed in mainstream Economics. However, the side effects of this growth, like environmental destruction, corruption and lack of transparency are now China's major problem. The moral wisdom, embedded in all major Chinese religions including Christianity hold some of the missing piece(s), required to make China's development model sustainable. Catholic Social Teaching could make relevant contributions to China and the wider Economics field. Similarly, the theological conception of Trinity is a perfect model of relationship and an alternative to an economic model which still seems to be defined on a narrow egocentric view on the "Homo Economicus."

Key Terms: Maoism, Great Leap Forward, Corruption, Pollution, Environment, Religions, Growth, Catholic, Trinity.

1. Introduction

Modern day China has undergone an unseen economic transition: from the darkest days of Communism/Maoism, when millions became victims of an economic policy that aimed to foster economic progress but caused chaos, China has gone to lifting millions out of poverty and becoming a global powerhouse. What is particularly noteworthy is that its achievements relied significantly on the singular focus of maintaining breathtakingly high economic growth rates. However, this transition has come at a price: widespread corruption and environmental destruction have made China's previous growth strategy unsustainable. China thus finds itself at the crossroads of its development: yet again, drastic change is needed in the

Stephan Rothlin serves as the Secretary General of Center for International Business Ethics at the University of International Business and Economics, Beijing, which he founded in 2004. He also teaches regularly at the Faculty of Economics and Business of Hong Kong University and the INSEAD business school in Singapore. He has taught Business Ethics at the Institute for Empirical Research in Economics at the University of Zurich between 1992 and 1998 and since 1998 at major Chinese Business Schools. www.aibethics.org, www.cibe.org.cn [give email, as in other cases]

In search of alternative growth models, as well as a development strategies for China, this article attempts to encourage its readers to consider the (relevance of) moral wisdoms, embedded in all major Chinese religions: these moral insights and motivations may not only hold some of the 'missing piece(s),' required to make China's development model sustainable, but aid an evolution of Economics' perspective on growth.

As the implications of the outlined attempt go beyond the scope of any one publication, or any one author for that matter, this paper limits its scope to providing a sketch of how a synoptic approach, incorporating key insights of religions' moral traditions in academic study and individuals behaviour, might aid the progress in Economics and China's development by reference to a few examples. In order to identify the areas where new insights might be most needed, this article will first provide a short account of China's socio-economic development over the past 50 years and demonstrate how these have led to a vacuum of values that in turn can be blamed for many of the major economic, social and environmental threats China faces today. Thereafter, it will be demonstrated that religions' moral insights, in particular when joining forces in an ecumenical fashion, are particularly suited for addressing the vacuum of values and its consequences. Whilst this paper will subsequently focus on examining Catholic Social teaching, some examples from other faiths are

provided to demonstrate that other traditions, especially when combined, offer vital insights that ought to be explored. The article then turns to Catholic Social teaching, first by demonstrating that core Christian concepts such as economy of love or Trinity could be of significant help when humanizing Economics and particularly relevant for cross-cultural problems faced by Joint Ventures in China. Apart from showing the relevance of religious, particularly Christian, principles to Economics and China, this paper will then also address the ongoing contention as to whether other values, such as Christian or universal values, are compatible with a Chinese context. Next, two major moral principles of Christianity and Christian Social Teaching, Subsidarity and the dignity of the worker, will be examined. Apart from showing their relevance to China's problems, it will be evaluated how these principles should and should not be spread alongside other virtues in China. Last, the importance of filling the moral vacuum and integrating religious values is stressed by considering China's increasing influence and responsibility globally.

2. Socio-Economic Developments and Appeal of Religions

After the Maoist era of imposed communism, with its egalitarian pathos twinned with a large scale destruction of traditional Chinese values such as filial piety, trustworthiness or self-restraint, the last 30 years or so have seen a perhaps predictable, stellar rise of economic performance of businesses in China. During the Maoist era, a general war against all kinds of religious expression and practices swept throughout the country. Motivated by and implemented according to a Communist utopia from 1958 onwards, the Great Leap Forward was intended to bring about industrialization at an unprecedented scale by allocating economic resources away from the agricultural sector into manufacturing. By the time it was finally called off in 1962, the Leap had turned into full-blown agricultural, and thereby national, disaster: reallocation of resources left millions (in the countryside) to starve to death on their own fields, culminating in a death toll that recent studies put above 40 million casualties. After the failure of the Maoist utopia was acknowledged, economic reform has been carried out under the ideological framework of Chinese of Marxism-Leninism: developing Characteristics communitarian ethos was modified with an economic pragmatism guided

¹Frank Dikötter, Mao's Great Famine: The History of China's Most Devastating Catastrophe, 1958-1962, London: Bloomsburry Books, 2010.

by maxims like "to become rich is glorious" and that "it doesn't matter whether the cat is black or white as long as it manages to catch mice."

Whilst China's focus on securing safe and reliable supplies of natural resources from all over the world is highly successful, it is beginning to come to terms with the reality that the two natural resources most crucial for human existence (that are also the two most difficult to import on their required scale), water and air, have been badly - and in some cases irreparably – squandered. Increasingly the extent of the destruction of the natural habitat and its consequences seems to dawn on an increasingly informed public and the government. Figures about the degree of water and air pollution are notoriously unreliable. However, air pollution reached such health threatening proportions that it has become international headlines. Indeed, just the air pollution from Beijing alone has affected an area four times the size of Germany.

The environment is not the only aspect of modern Chinese life that has been plagued by a neglect of moral principles: wide-spread corruption has led to a deep-rooted distrust of those in power and a cynical attitude towards what personal behaviour is required in order to be successful. Indeed, the Corruption Perception Index (CPI), published by the international corruption-watchdog Transparency International, shows how deep this mistrust runs in China's society: out of a positive score of 100, the country scores a mere 39. Further understanding of how bad China's citizens perceive the problem to be, can be gained when interpreting this score with a global perspective: albeit being the world's second-largest, and one of the fastest growing economies, China ranks 80 in Transparency's ranking of countries, putting it far behind all developed and many developing countries.

It is certainly not far-fetched to assume that the wide spread frustration about the abuse of power and the destruction of the natural resources indicates an absence of values. As China is becoming increasingly affluent, individuals' disregard for moral principles, such as human dignity and environmental stewardship, is increasingly associated with and blamed for the biggest perils of modern China. Another mantra has been the official statement that China should still be considered as a developing country, for which the strict standards of safety and

²Transparency International, "The Corruption Perception Index 2012," *Trans*parency International 2012 http://cpi.transparency.org/cpi2012/results/ (10 May 2013)

environmental protection could not be applied because they would be too costly and affordable only for developed countries. Although some select instances of individuals favouring selfish gains over moral principles, have been vehemently criticized (particularly on China's blogosphere) and increasingly scrutinized and punished in response, what remains most painful is the admission that these individual, and often institutionalized, vices are much more common-place and can be ultimately blamed on the singular model of economic growth, that has disregarded immaterial factors and outcomes of its development for far too long.

Maybe not surprisingly then, the appeal of specific Christian values, including the respect for each person's dignity, solidarity with the disadvantaged and care for the environment, has been very strong. Indeed, for a sustained period of time The Story of the Bible, which offers key stories of the Bible along with modern illustrations, ranked as a bestseller in China. The strong Christian drive for commitment, compassion with the poor seems to be so convincing that other religions, in particular some Buddhist groups, may have felt compelled to increasingly focus on social and practical components of religion.

Apart from maintaining that the explosive growth of spirituality among the people of China is an indication for the described lack of moral guidance, this article also argues that the expanding role of religion in Chinese society may be a solution to the problems that threaten it most severely. For the further success of China's development, significant importance seems to reside in the question of whether religious groups will feel compelled to share their values beyond their faith communities, intending to reach out to society at large or limit themselves to their respective religious communities.

3. Relevance of Religious Values for Renewal of Economics

The present study aims to provoke more discussion on how Economics should be developed further by integrating religious wisdoms. This section aims to show the potential scope and feasibility of such integration and advocates principles of how Religions should collaborate in order to enrich and challenge Economics in a particularly effective way.

The high relevance of religious values, such as solidarity with the poor, justice, compassion and self-content, derives from the fact that they can offer reality-tested principles that cover aspects of social and human life, of which Economics has been ignorant. It not only offers compatible extensions to narrow-minded measurements of GDP, the increase of production, profit To name one instance where new insights and arguments on a deeply controversial aspect of modern economic life can be found, one could consider the whole body of inspiring parables in the New Testament that provide guidance about the true value of money and how to make good use of it, not just for one's own sake, but for the sake and benefit for the whole society. The 25th chapter of St. Mathew's Gospel, for example, discusses the different allocation of talents and the different opportunities and responsibilities that result from such an allocation. What is noteworthy about this example is that in the historic context, the word 'talent' not only described one's abilities but was also the name of a currency. Thus, the passage must be seen as a call to each individual to seize all of his or her unique opportunities, both personal skills and financial position, to the best effect for both, one's individual life as well as the greater good of society.

4. The Significance of Ecumenical Dialogue

It would not be appropriate to claim that only Christian ideas can come up with the desperately needed answers to the serious challenges. Indeed, the challenge seems to be so difficult that a new, combined effort among the main religions in China, including Islam, Buddhism, Taoism and Christianity will be necessary in order to develop and communicate the much-needed treasures of wisdom and compassion, enshrined in and joined by all of these traditions.

Some aspects and underlying considerations of Islamic finance, for example, could certainly be considered as a major reference point for those looking for a fair and equitable economy, tuned to the common good – regardless of the place of wisdom or religious tradition one feels comfortable in. It seems that the Islamic tradition of a more communitarian approach to finance, the benefits of a common economic activity (namely finance) are much more directed towards the ultimate benefit of the community as a whole. This may prove to be a particularly relevant orientation and practice for a business context that is often perceived as deeply corrupt and driven by short-term profit-making.

An ecumenical process of listening and learning from each other would certainly be a breakthrough in a context where there still seems to be a spontaneous inclination to perceive another wisdom or religious tradition as rival or threat towards one's own values. Moreover, given the strong resistance from a broad range of economists and social scientists to recognize the role of values and ethics in their respective disciplines, it seems to be imperative to initiate a widening of the recognition that most of these different traditions share a wisdom that highlights the importance of integrating a moral dimension firmly in business.

Indeed, the debate on the introduction of a new approach to economics and the integration of moral dimensions in business actually highlights the necessity of a similarly "ecumenical" (i.e., interdisciplinary) approach. Indeed, careful reading of The Moral Dimension by Amitai Etzioni,³ a general reference on this topic, leaves one realizing that the intellectual pollination between ethics, on one side, and social sciences and business practice, on the other, must go hand in hand: without the constant dialogue between social sciences and constant exposure to the realities of the business world, ethical arguments themselves may easily be dismissed as moralistic nonsense. In addition, like Judaism, Christianity and Islam share Semitic common roots and Hinduism, Buddhism and Jainism have Indian roots, Tomas Sedlacek's book The Economics of Good and Evil has shown that Economics shares many of its roots with theology, philosophy and ethics.⁴

5. Elements of a Christian Vision of Humanizing the Economy

Within such an ecumenical framework that enables traditions' joint search for ethical underpinnings of economics, one question that arises concerns the specific contributions that a Christian point of view can make, distinct from other religious approaches. The further focus of this article will thus concentrate on specific contributions that Catholic Social Teaching may have for developments in China and the study of Economics. The linguistic origin of economy within a theological framework can be found in the broader context of the term "economy of love" - within the One God, there is the Trinity of Father, Son and Holy Spirit. As Jesus proceeds from the Father, so the Holy Spirit also takes the same origin in the same God as Father. The Trinity, admittedly being one of the most complex theological terms, has to be considered as a core element of Christian faith. Trinitarianism chooses a symbolic language in order to indicate that God is

³Etzioni, Amitai, *Moral Dimension: Toward a New Economics*, New York: Free Press, 1990.

⁴Tomas Sedlack, Economics of Good and Evil: The Quest for Economic Meaning from Gilgamesh to Wall Street, Oxford: Oxford University Press, 2011.

at the same time One as Father, Son and Holy Spirit. God is conceived as the outpouring of pure and unconditional love on the whole world. According to Luis Gutheinz, who has been Professor of Theology at Fu Jen University for more than 30 years, the theological concept of Trinity provides the most penetrating key to intercultural dialogue based on mutual respect and reciprocity.⁵ Indeed, at the theological core of the concept of Trinity one can find the quintessential model of economy: logic of a perfect giving and receiving, the most accomplished process of communication.

Returning to the reality of economic life in China, it is increasingly well known that foreign partners' wide spread ignorance about specific Chinese cultural elements is one of the major reasons for the failure of a large number of joint ventures in China. Indeed, a completely different way to view the world, conduct business and earn trust makes it necessary for both sides to immerse themselves in the otherness of their partner, to engage in meaningful communication: just one example are the rituals of Chinese business deals that evolve around a meal. Here, the choice of courses, the seating order and the flow of the conversation reflect a strict hierarchical order and often conveys hidden messages. Rather than just studying these for the purpose of pleasing one's partner, it is important to read between the lines as failure to do so will frequently be used against one's advantage.

Such a role of culture and communication is in marked contrast to the Trinitarian model of perfect communication and trust. The Chinese business reality confronts us with a situation where the complex and often deliberately confusing nature of communication - not only due to the difficulty of the Chinese language – often leaves no trust at all. However, trust is the most important ingredient of a cross-cultural Joint Venture; no binding contracts with a Chinese partner should be signed without it. In complete ignorance of this principle, business deals are frequently concluded with a simplistic and disingenuous approach and unsurprisingly end up in failure.

Especially in the midst of such highly demanding business climates that require a high level of communication and trust, it is suggested that the Trinitarian interplay could provide the groundwork for new approaches to economy which is thoroughly oriented towards the Common Good with special attention to the most vulnerable. The flaws and great dysfunctions of the present economic system made it increasingly obvious that the ultimate beneficiaries of the present system may be the evasive one percent at the top

⁵Louis Gutheinz, "Ein Blick in die Werkstatt der chinesischen Theologie," Stimmen der Zeit 225 (September 2007), 619-631.

of the pyramid as the gap between the rich and poor appears to be widening. The present challenges of a global economy may offer a unique chance to reconnect theological thinking with a new view on economics.

5. Universal Values versus Chinese Values

Before further examining the relevance and applicability of specific elements of Catholic Social Teaching, one needs to address the widespread discussion whether foreign moral values are in general applicable in a Chinese context. There has, for example, been a fierce debate within circles of intellectuals and the Communist Party in China concerning the implications of the term Universal Values. While some intellectuals are forcefully arguing that China should accept Western values such as liberty, human rights, equality, and democracy, basing their argument on the claim that these are common, universal values; others forcefully oppose these notions as foreign to Chinese culture and as an attempt to impose Western values on a culture which has been declared atheist. This debate is by no means purely academic and its very political nature, for example, has become apparent through recent regulations by the Chinese government that forbid academic institutions to engage in scholarly discussion of issues like the independence of the judiciary, freedom of the press and so on.

As Yang Hengda has demonstrated, a basic argument in favour of universal values points out that the two basic principles of universal values proposed by the Declaration Towards a Global Ethics, humanity and reciprocity, find strong resemblance in different Chinese philosophical approaches such as Confucius, Mencius, Mozi et al, especially in connection to the terms of universal love and benevolence. 6 These philosophical approaches are highly aware of the vulnerability of the dignity and fundamental rights of each person and have put forward concepts such as universal love for the protection of the absolute/explicit rights of each citizen. It is indeed noteworthy that apart from the mainstream of Confucian ethics, there has been a strong legal tradition in China. Evidence for this can be found in the concepts developed by the philosopher Mozi, whose term universal love stresses the need to protect the rights of each individual, not just the rights of one's own family or clan.

⁶Hengda Yang, "Universal Values and Chinese Traditional Ethics," *Journal of* International Business Ethics 3,1 (2010), 81-91.

⁷Yang, "Universal Values and Chinese Traditional Ethics," 88.

The Jesuits successful contribution consisted in introducing a view on the economy that was enriched by other sciences and ultimately oriented to increase the common good of a larger society. However, there is much room for improvement: although these early missionaries already identified and pointed out the devastating consequences of corruption on the whole economy of the Middle Kingdom, they have left it to contemporary initiatives to address this pressing issue.

6. The Principle of Subsidiarity

Considering that it is often stated that Christian Social Teaching unintentionally remains the best kept secret of Christianity, it is probably accurate to assume that the term *subsidiarity* is still widely ignored. It is interesting to note that this term does not appear in the usual English

dictionaries. Subsidiarity takes its origin from the Latin word subsidium, meaning help or assistance. According to the tradition of Catholic Social Teaching, this principle indicates that "employees on a lower level who are trusted, trained and experienced, know exactly their responsibilities, and are free to make decisions, can fully use their freedom and intelligence, and thus are enabled to develop as people; they are indeed co-entrepreneurs."8

This is in stark contrast to a significant part of Chinese culture: Given the background of the history of subsequent dynasties, a usually feudalistic, strongly hierarchical structure with a heavy emphasis on the leader, is reflected in business and government bodies of contemporary China, where the core of power lies within tight family structures. However, civil society seems to be emerging in China and the significance of political and organizational economics models that not only rely on government planning, but also on a variety of Non-Governmental Organizations is increasing. Consequentially subsidiarity, with its insistence on taking decisions at the lowest possible level, is not only becoming appealing but necessary.

8. The Dignity of Each Worker and the Right to Protest

Christian Social Teaching has consistently emphasized the dignity and rights of each worker. In the Encyclical Letter Laborem Exercens (On Work) Pope John Paul II reaffirmed the rights of each worker, including the right to form unions and the right to strike, by pointing out that the dignity of each worker should be considered superior to any monetary value The implications of this view on human work are extremely relevant in the Chinese case. The statement of a mine owner that it would be cheaper for him to once in a while let one of his workers die rather than being forced to implement expensive security arrangements, which he considers only appropriate to the West's developed economies 10 indicates his extreme disregard for the value of each of his employees. Such a dramatic preference for profit over any consideration for the rights of the workers is of course a violation of Chinese labour law: although the

⁸Pontifical Council for Justice and Peace, eds. Michael Naughton, Helen J. Afford, Vocation of the Business Leader, Rome: Pontifical Council for Justice and Peace, 2012, 16.

John Paul II, *Laborem Exercens* (1981).

This oral statement could be further proven with a number of concrete examples which show that the value of a person is far from being respected.

disregarded moral concerns were already reinforced by the July 1994 version of Chinese labour laws, the wide-spread lack of implementation and ignorance of these laws show that even a sound, state of the art legislation is insufficient without the additional support from ethical insights such as Christian social teaching.

Indeed, whilst there undoubtedly has been considerable progress in the implementation of the labour law, a weak legal tradition in many localities and aspects of Chinese life risks to hinder further progress. Individuals' personal commitment to moral values may be decisive to ensure that the letter of the law does not remain wishful thinking

9. Creating a New Culture: Challenges of Filling the Moral Vacuum

The desirability of a value driven, fulfilling and simple life strongly resonates with traditional Chinese values which stress the virtues of trustworthiness and simplicity of the *qunzi*, the morally refined person who is likely to inspire others to imitate him. To display one's wealth is frowned upon, understatement has long been conceived as an adequate strategy in the traditional Chinese context. However, a number of factors have contributed to a development of an egoistic behaviour focused on a grabbing culture resembling Manchester style capitalism. 11 In response, elements of the Chinese government have felt the urge to hurriedly put together value education programs. This included the efforts of the government of Hong Kong, which went out of its way to include the imparting of patriotic values within educational curricula. However, a narrow minded attempt to inculcate veneration for the supposed achievements of a political party while closing one's eyes before some harsh realities of the history provoked a true storm of protest in Hong Kong. Particularly the white-washing of historical disasters in recent Chinese history, such as the Great Leap Forward, resulting in the death of at least 40 million people and the absence of a quest for historic truth has been perceived as unacceptable by a wide range of people. As a result of catastrophes such as the so called Great Proletarian Cultural Revolution, the Chinese people are very apprehensive about politically motivated, simplistic slogans and brain-washing.

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Similar to the abuse of the labour force in the process of the early industrialization in England the extremely rapid economic growth in China provoked similar features of wide spread abuse of labour in sweat shops and destruction of natural resources.

Government's attempts to address this value crisis have, thus, failed. Instead of simplistic slogans, the inspiring use of moral parables, which could even include stories from the New Testament, may be more adequate to inspire people to conceive new economic models which may be beneficial for the larger society. However, government's failure to address the widening value vacuum also highlights the fact that most development needs to come from society and individuals themselves.

The experience of Chinese, Christian entrepreneurs is particularly noteworthy, as it shows how challenging yet important it is to implement (religious) values on a personal level in China. Christian business people find it extremely hard to stick to their value system, while operating in the context of China. Christ and Business Culture, a recent publication analyzing interviews with Christian entrepreneurs in China, provides us with a realistic account of the dual challenge of staying and succeeding in business, but not compromising one's beliefs. Even entrepreneurs who consider themselves deeply rooted in Christian value systems often lose hope when they face the cynical dog-eats-dog cut throat business environment in China. Indeed, they readily admit that the social pressures of business transactions frequently coerce them into being inconsistent in following their ethical convictions. While this poses a dilemma for the time being, these entrepreneurs' and other stakeholders' widespread resentment of the status quo provides hope and indicates good grounds for the further adaptation of Christian Social Teaching and other religion's ethical insights.

As China has become a major driving force on the world stage, it becomes increasingly clear that the proliferation of values in China will not remain a national concern. The well-being of the global community, and in particular its vulnerable members can be protected if China embraces Social Justice and a broader responsibility in its international policy. Here those Chinese corporations that have expanded their activities all over the world, especially those in Africa, are of particular significance. There are growing numbers of critics, voicing the concern that alongside business, China might also be exporting business practices that are disconnected from moral principles. Strong evidence for this claim is offered by Transparency International's Bribe Payers Index, "overseas" counterpart to the "domestic" CPI, measuring how likely companies from a certain country are to offer bribes when operating

¹²Kam-hon Lee, Dennis McCann, MaryAnn Ching Yuen, Christ and Business, Hong Kong, PR China: The Chinese University Press, 2012.

abroad. Here, the results are even more embarrassing than with the CPI: China's multinational companies rank as second-last when compared to companies from 27 other countries that are also the origin of major MNC activity. 13 Growing concern over who, apart from the Chinese and a few corrupt officials, will profit from these business deals has led to various different suggestions of how to solve this problem. Whilst mounting opposition against Chinese investments, not least from the recipients countries' populations themselves (even leading to the barring of Chinese players' entry altogether) may be understandable, there must be no doubt that the most significant determinant of whether these problems diminish or expand, lies with the Chinese players and their choice of whether moral principles shall inform their future economic development.

10. Conclusion

This article offers a first step in demonstrating a deep link between the theological conception of Trinity, as perfect model of relationship and an alternative to an economic model which still seems to be defined on a narrow egocentric view on the "Homo Oeconomicus." Such an attempt seems to be justified by the surprising historical growth among Christian groups in today's China. China's ability to integrate foreign insights has been demonstrated by reference to the fact that since the eighth century different waves of Christian missionaries have made significant inroads into the Kingdom of the Middle also by sharing key methods and insights of social sciences such as mathematics, astronomy, geography with their religious messages. Their ideas have proven useful and practical and made significant improvements in the calendar, farming, and thus contributing to the greater benefit of the society and in particular its vast majority – the famers. As Post-Maoist China has made a historic breakthrough in lifting large sections of the society out of poverty with rapid economic development some key insights of Christian social thought such as solidarity, subsidiarity and the concern for the Common Good may be decisive to take the development to its next level with its care for environment, more participatory structures of decision making, fight against corruption and making sure that the dignity and human rights of every individual is safeguarded.

¹³Deborah Hardoon and Finn Heinrich, "Bribe Payers Index 2011."

¹⁴The author thanks Constantin Landers for his careful assistance and critical feedback on this article.