



# The Butterfly Effect in China's Economic Growth

---

From Socialist Penury  
Towards Marx's Progressive  
Capitalism

---

Wei-Bin Zhang

palgrave  
macmillan

# The Butterfly Effect in China's Economic Growth

Wei-Bin Zhang

# The Butterfly Effect in China's Economic Growth

From Socialist Penury Towards Marx's Progressive  
Capitalism

palgrave  
macmillan

Wei-Bin Zhang  
Ritsumeikan Asia Pacific University  
Beppu-Shi, Japan

ISBN 978-981-15-9888-3                      ISBN 978-981-15-9889-0 (eBook)  
<https://doi.org/10.1007/978-981-15-9889-0>

© The Editor(s) (if applicable) and The Author(s), under exclusive license to Springer Nature Singapore Pte Ltd. 2021

This work is subject to copyright. All rights are solely and exclusively licensed by the Publisher, whether the whole or part of the material is concerned, specifically the rights of translation, reprinting, reuse of illustrations, recitation, broadcasting, reproduction on microfilms or in any other physical way, and transmission or information storage and retrieval, electronic adaptation, computer software, or by similar or dissimilar methodology now known or hereafter developed.

The use of general descriptive names, registered names, trademarks, service marks, etc. in this publication does not imply, even in the absence of a specific statement, that such names are exempt from the relevant protective laws and regulations and therefore free for general use.

The publisher, the authors and the editors are safe to assume that the advice and information in this book are believed to be true and accurate at the date of publication. Neither the publisher nor the authors or the editors give a warranty, expressed or implied, with respect to the material contained herein or for any errors or omissions that may have been made. The publisher remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.

This Palgrave Macmillan imprint is published by the registered company Springer Nature Singapore Pte Ltd.

The registered company address is: 152 Beach Road, #21-01/04 Gateway East, Singapore 189721, Singapore

*Our greatest glory is not in never falling, but in rising every time we fall.*

*Confucius (551–479 BC)*

*When things thus find the proper point to which to come, they are sure to become great.*

*The Yi Jing*

*It seems to never occur to fools that merit and good fortune are closely united.*

*J. W. von Goethe (1749–1832)*

*In a game of mutual deception an Englishman or an American can beat a Chinese nine times out of ten.*

*Bertrand Russell (1922: 210)*

*Fool me once, shame on you; fool me twice, shame on me.*

*Chinese Proverb*

*It is easy to hate and it is difficult to love. This is how the whole scheme of things works. All good things are difficult to achieve; and bad things are very easy to get.*

*Confucius (551 BC–479 BC)*

*When cleverness and knowledge arise, great lies will flourish. When relatives fall out with one another there will be filial duty and love. When states are in confusion there will be faithful servants.*

*Laozi (6th–4th BC?)*

## PREFACE AND ACKNOWLEDGMENTS

My aim in writing this book is to reflect on China's economic growth from 1978 till 2018. I have never stopped thinking about the issues about China's modern history even a few days once I began to be concerned with it from 1983. After I graduated from Department of Geography, Beijing University in 1982, through passing the examination in engineering I was sent by China's government as a graduate student to study at School of Civil Engineering, Kyoto University (the name of which I had not known before I was told to go). Soon after I landed in Japan in 1983, my shocks by the differences in the two countries were unspeakable. I had been brought up in the isolated China and had heard almost nothing about capitalist societies before coming to Japan. Since I came to Japan, I have spent much time on understanding a few questions. One is why China has been behind Japan's economic development so long, even though Japan learned so much from China over the many centuries. How was it possible that in the early 1980s my diligent father who graduated, as law major student, from a Japanese University in Northeastern China in the 1940s, was earning the monthly salary that a young worker was receiving by washing dishes only two hours in a fast-food restaurant in Japan (in nominal exchange rate)? In the early 1980s, an unskilled Japanese worker was paid for one hour's work as much as a young Chinese worker's monthly salary in Shanghai or Beijing. I was further shocked at China's poverty, after I had observed that Japanese students in Kyoto

University were neither more diligent, nor smarter, nor more academically advanced, nor more respectable as student (with regard to respect and passion for learning), than Chinese students in Beijing University. Ever since I started asking these questions, I have endeavored to understand dynamic changes in income and wealth, ethics, institutions, firms, and behavior in China and Japan for the sake of understanding in my leisure times over years.

Unpredictability is only certainty in important events in human history. Nowadays I often hear Chinese tourists' joyful exclamations “太便宜啦” (“too cheap”) in Japan. The reduced gaps in the living conditions between China and Japan within such a short time period were beyond anyone's expectations in the 1980s. By 2018, China was the world's second-largest economy with its 9 percent average annual growth rate of GDP in the previous four decades. Its share of the world economy rose from merely 2.7 percent to currently 16 percent. The per capita GDP jumped from \$100 to over \$1,000 in 2019. Eight hundred million people have made a great escape from poverty. Since the late 1990s, each year many articles and books have predicted immediate collapses of China's economy. These predications were often based on well-established theories and observed facts. No news is good news. No single year has shown any success of those predications.

The study of history is, mathematically speaking, to solve higher dimensional partial differential equations with initial conditions. The fundamental job of studying history of human societies is to find the equations, i.e., mechanisms, of historical evolution. Historical variables are nonlinearly interdependent. This implies that equations are nonlinear, multidimensional, and dynamic. Any historian, even if he is smart, diligent, and well-informed, may solve wrong equations—“wrong” in the light of new knowledge. Equations are possibly so complicated that no generation so far could establish and solve true equations for important historical events. Hence, no generation could solve historical issues with certainty as there is no true equation available. Wrong equations with correct historical factors lead to, almost certainly, wrong conclusions. This asserts why new knowledge, new assumptions, and new perspectives, not to say new facts and new biases, will change the history. Each generation has its ancestor history. Occurrence is invariant but the written history of the occurrence changes with time. History is constantly re-written as man, except his new biases due to brainwashing of his contemporary culture, knows more about himself and dynamic mechanisms of human societies.



This book reflects on China's 40 years economic reform with modern chaos theory on social and economic dynamics and new interpretations of Confucianism. Chaos theory reveals complexity and unpredictability of evolution (Zhang, 1991), while Confucianism is the basic cultural stock of Chinese civilization. This book is also based on my books in 1998: *Japan versus China in the Industrial Race*; in 1999: *Confucianism and Modernization*; and in 2007: *New China's Long March from Servility to Freedom*. It is a continued part of my research on applying modern knowledge and economic theory to interpret Chinese thought and Chinese history. I have been interested in ancient Confucianism and its implications for modernization of East Asia since the late 1990s. This book quotes extensively from the Confucian classics to illustrate what I mean by that Confucius, as the cultural stock of China, is important for understanding China's recent development.

Most of Chinese names are expressed in pinyin, except a few names, such as Confucius, Mencius, Lao Tzu, and in the citations, in Romanized Chinese. By ancient Confucianism, I mainly refer to the Confucian doctrines developed by Confucius (Kongzi in pinyin, 551–479 BC), Mencius (Mengzi in pinyin, 382 BC–279 BC), and Xun Zi in pinyin (Hsun Tzu in Romanized Chinese, 298–238 BC). The quotes of Deng Xiaoping are from: <https://quotes.thefamouspeople.com/deng-xiaoping-4263.php>. There are some quotes which I don't provide sources as almost all of them are from <https://www.brainyquote.com>, with a few expectations which can be identified by googling. I am deeply grateful to the websites. I am thankful to the valuable comments and suggestions of the anonymous referee. I am very grateful to Editor Jacob Dreyer and Manager Ashwini Elango for effective co-operation. I completed this book at the Ritsumeikan Asia Pacific University. I learn much from the campus life sustained collectively by the colleagues, students, and staffs from over 100 countries. I am grateful for the university's supportive environment in research.

Beppu-Shi, Japan

Wei-Bin Zhang

# CONTENTS

<b>1</b>	<b>Mao Zedong and the Preconditions for the Butterfly Effect</b>	<b>1</b>
	<i>Mao as the Leader of China from 1949 to 1976</i>	4
	<i>Marx's Theory and Chinese Marxism</i>	8
	<i>Mao's Economic Thought Bred the Orderly Equality in Poverty</i>	11
	<i>Mao's Cultural Revolution Terminated Higher Education</i>	13
	<i>Mao's National Isolation</i>	15
	<i>The Pro-Conditions Left by Mao for Deng's Butterfly Effect</i>	17
	<i>Social Stability Under Centralized Government</i>	18
	<i>Conditions for Perfect Competition</i>	19
	<i>Relative Equality in Income, Medical Care, and Education</i>	20
	<i>The Homogeneous Poor Population for Scale Effects of Animal Spirits in Deng's Era</i>	21
	<i>Mao Established Relations with the Capitalist Economies</i>	22
	<i>A Few Men's Decision on the One-Child Policy Greatly Reduced the World Population</i>	22
	<i>References</i>	26
<b>2</b>	<b>Deng Xiaoping Triggered off the Butterfly Effect</b>	<b>29</b>
	<i>Deng Launched Economic Reform and the Open-Door Policy</i>	31
	<i>Deng's Early Life in France and Late in China</i>	33
	<i>Hakkas as the Seeds in Modernizing Chinese Societies</i>	35

	<i>Deng's Pragmatic Approach to China's Reality</i>	39
	<i>The One-Party System of the Elite, for the Elite, and by the Elite</i>	45
	<i>Social Order Maintained by the Legal System and the Guanxi</i>	48
	<i>The Hukou System for Social Order and Stability</i>	51
	<i>References</i>	55
<b>3</b>	<b>Confucius as Cultural Capital in Sustaining the Butterfly Effect</b>	57
	<i>Confucius</i>	60
	<i>The Principles of Ancient Confucianism</i>	62
	<i>Xun Zi's Orderly Society Constructed on Evil Nature of Man</i>	77
	<i>Confucianism as Cultural Capital</i>	78
	<i>The Chinese Yin-Yang Vision Built in the Yi Jing</i>	81
	<i>The Europe's Yin-Yang Attitudes Towards Confucianism</i>	87
	<i>Lao Tzu for Cultural Building and Emotional Enrichment</i>	90
	<i>References</i>	95
<b>4</b>	<b>Spread Education and Devouring Global Knowledge</b>	97
	<i>The Beneficiary of Global Knowledge Stock</i>	98
	<i>Modernizing Education as the Growth Tool</i>	101
	<i>Fast Spread and Enhancement of Education</i>	104
	<i>Development of Science and Technology</i>	110
	<i>Necessity Is the Mother of Invention</i>	113
	<i>References</i>	116
<b>5</b>	<b>Economic Growth from Hunger with Animal Spirits</b>	119
	<i>Introduction</i>	119
	<i>Economic Reform and Structural Change Under Deng's Political Stability</i>	123
	<i>Market Mechanism Was Spread from Countryside</i>	128
	<i>Investment in Physical Infrastructures</i>	131
	<i>Improved Living Conditions and Consumption</i>	135
	<i>Spatial Unequal Development with Enlarging Income Gaps</i>	137
	<i>The Fiscal and Tax Reform</i>	140
	<i>Trade and Shifting Status in the Global Division of Labor</i>	142
	<i>China as Low Value-Added Assembly Factory and Global Garbage Cane</i>	148

<i>The USA as a Steppingstone of the East Asian Economic Miracles</i>	151
<i>References</i>	156
<b>6 Uncertain China with Docilely Educated Population</b>	<b>159</b>
<i>Higher Dimensions of Consciousness and Sustainable Development</i>	161
<i>Hasty Economic Expansion and Widely Spread Corruption</i>	165
<i>Problems in China's Market Economy</i>	168
<i>Political Stability and Conformity of the Elite with the Party</i>	172
<i>A Thucydides Trap Between America and China?</i>	176
<i>Can China Escape Middle-Income Trap with Its High IQ Population?</i>	183
<i>China's Uncertain Future in Chaotic World</i>	186
<i>References</i>	189
<b>References</b>	<b>193</b>
<b>Name Index</b>	<b>203</b>
<b>Subject Index</b>	<b>207</b>

# LIST OF FIGURES

Fig. 1.1	China's Population since 1960 in millions ( <i>Source</i> <a href="https://en.wikipedia.org/wiki/Demographics_of_China">https://en.wikipedia.org/wiki/Demographics_of_China</a> )	23
Fig. 2.1	Deng visited America in 1979 ( <i>Source</i> <a href="http://www.sohu.com/a/133768166_513610">http://www.sohu.com/a/133768166_513610</a> )	41
Fig. 3.1	Interactions between the <i>Yin</i> and <i>Yang</i> ( <i>Source</i> <a href="https://ja.wikipedia.org/wiki/%E9%99%B0%E9%99%BD">https://ja.wikipedia.org/wiki/%E9%99%B0%E9%99%BD</a> )	83
Fig. 4.1	China's literacy rate over the period 1984 to 2016 ( <i>Source</i> <a href="https://www.china-mike.com/facts-about-china/facts-chinese-education/">https://www.china-mike.com/facts-about-china/facts-chinese-education/</a> )	103
Fig. 4.2	The number of students admitted to universities over years ( <i>Source</i> <a href="https://wenr.wes.org/2019/12/education-in-china-3">https://wenr.wes.org/2019/12/education-in-china-3</a> )	108
Fig. 4.3	Dynamics of chinese students abroad ( <i>Source</i> <a href="https://asia.nikkei.com/Spotlight/The-Big-Story/Chinese-students-and-US-universities-become-pawns-in-the-trade-war">https://asia.nikkei.com/Spotlight/The-Big-Story/Chinese-students-and-US-universities-become-pawns-in-the-trade-war</a> )	109
Fig. 5.1	China's national story of escaping from poverty ( <i>Source</i> Fang et al. [2018])	122
Fig. 5.2	China's GDP and growth rate, 1978–2017 ( <i>Source</i> Fang et al. [2018])	127
Fig. 5.3	China's GDP per capita and growth rate, 1978–2017 ( <i>Source</i> Fang et al. [2018])	128
Fig. 5.4	Annual growth rate and change of consumer spending proportion	136
Fig. 5.5	Annual total retail sales and annual variation	137

Fig. 5.6	China's share of world trade in terms of percentage ( <i>Source</i> Li and Jiang [2019])	144
Fig. 5.7	Evolution of relative prices and quality of export products in China ( <i>Source</i> Li and Jiang [2019])	145
Fig. 5.8	FDI inflows into China, 1979–2017, in Current US\$ ( <i>Source</i> Chen [2019])	147
Fig. 5.9	Chinese students in the US from 1980 to 2019 ( <i>Source</i> <i>The Economist</i> [2020])	154
Fig. 5.10	US trade balance in goods (percentage of GDP) ( <i>Source</i> Woo [2019])	156
Fig. 6.1	Maslow's hierarchy of needs ( <i>Source</i> McLeod [2018])	164

# LIST OF TABLES

Table 5.1	Sources of China's FDI, in US\$ millions (share in percentage)	146
Table 6.1	Corruption perceptions for selected countries and years	168
Table 6.2	Average IQs, GDP per capita, and happiness indexes	185



## Mao Zedong and the Preconditions for the Butterfly Effect

Nothing affects the life of a child so much as the un-lived life of its parent.  
Carl Jung (1875–1961)

If one examines rapid progress period of developed economies, one finds that these economies started them mostly from poverty and low education with social and political order. Before WWII, German and Japanese economies were growing from poverty and low education. After the war, the two economies grew swiftly from poverty, even though human capital was not totally lost in the war. They had social and political stability under American protection. The USA, great as it is today, was built by poor and uneducated immigrants of low social status from their original countries. This is true for Australia, Canada, and New Zealand. Before WWII, the modern industrial economies became developed in association with colonization. The colonization played an important role for social and political stabilities as “trouble-makers” in their own countries could make fortunes in other lands. Wars might also help political and social stabilities. Singapore, Hong Kong, and Taiwan were developed by immigrants of low social status in their original provinces back in mainland China. They enjoyed relatively orderly social and political reliable environment under Western powers. South Korea had swift growth after being liberated from a colonized state and subject to American protection. China’s initial state was poverty and low education with social and political stability and order under a single party’s control.



When Chairman Mao was passing, Chinese people were not only poor, but also had no dream to become rich; they were not only lowly educated, but also had no hope to receive any formal higher education. Mao created a worst type of poverty: no hope for a better life. China has experienced meteoric improvement in national economic conditions since it launched the economic reform and opened to global markets in 1978. The per capita GDP jumped from \$100 in 1978 to over \$10,000 in 2019. Eight hundred million people made a great escape from poverty. By 2018, China was the world's second-largest economy from its 10<sup>th</sup> position in 1978 with its 9% average annual growth rate of GDP in the previous four decades. Its share of the world economy rose from merely 2.7% to 16%.

A great challenging question in the history of civilizations in general, and economic development in particular, is why China could have achieved such rapid economic progress with the one-fifth global population and little resource (in terms per capita) from the bottom of the world (in terms of per capita income and per capita higher education received). The Nobel Laureate in Economics, Coase, jointly with Wang claim: "It will take us decades, if not centuries, to fully explain why China became capitalist the way it did, resolving all intriguing puzzles." (Coase and Wang 2012: 202). There is perhaps no precise solution of the black swan event. But it is worthy to study China's economic reform as Fernand Braudel (1902–1985) points out: "Everything must be recaptured and relocated in the general framework of history, so that despite the difficulties, the fundamental paradoxes and contradictions, we may respect the unity of history which is also the unity of life." China's economic proliferation is a short period of China's history, but an exciting one. It is the bifurcating point into modern social and economic structure from the traditional one.

The Chinese economic structure has experienced catastrophic changes due to a well-known idea in the ocean of economic knowledge—market mechanism. Traditional economic theory cannot explain how a "trite" political economic idea can lead to an unpreceded change in human history. This kind of change needs modern chaos theory or theory of complexity to rigorously explain. Chaos theory mathematically exhibits how a small change can lead to dramatically structural change. "Mathematically" implies that the theory demonstrates rigorously not only beautiful phenomenon, but also, perhaps more importantly, the mechanisms controlling the system, the structure, and the status under which the phenomenon is observed. Traditional Newtonian natural science and

neoclassical economics predict that a small change can only result in small changes. Traditional sciences cannot explain structural changes with small exogenous changes. Chaos theory demonstrates how a butterfly flaps its wings in Okinawa may subsequently cause a storm which ravages Japan. A touch of a friend's dog in a small town may cost many human lives and originate a global economic crisis due to virus diffusion. Sources of structural changes in human societies are not necessarily big shocks such as revolutions, storms, nuclear bombs, earthquakes, great liars, and great politicians. Revolution, even if it succeeds in the destructive purpose in the short term, often does not lead to permanent structural changes in the long term. There are plenty of examples that a society, or an industry, or an organization experiences structural changes due to seemingly unimportant events. The chaos theory also tells why so many economists in the world who have been trained and done research so many years and are equipped with most advanced mathematics, valid data, and computers can predict only these phenomena which people without professional training roughly know. This is similarly for weather forecasting. An old man should know what it means the best doctor is oneself. Young people do not need sophisticated doctors if they catch a cold; old people with complicated health problems can hardly find a useful one among many well-trained doctors. Politicians should do little in improving economic performances if an economy is in healthily growing stages; politicians often worsen economic performances if the economy is in deep troubles. Chaos theory help us to understand the complexity of nonlinear dynamic phenomena.

The most intellectually challenging question about the butterfly effect is not the unpredictable and amusing phenomenon, but the complexity of structure and preconditions under which a nuance brings about large-scale changes. A butterfly must flap at the right time within the right structure, and at the right state of the system to generate the big effect. Political economic ideas for improving human societies are abundant and applied in varied parts of the world. None has brought about the butterfly effect in scale, scope, and speed as Deng's idea about economic reform in entire human history. In fact, Deng had once advocated the idea in the 1960s, together with his superior Liu Shaoqi (1898–1968). They were together labelled in the late 1960s as China's foremost "capitalist-roaders". Their idea was proposed at the wrong time, even though China's socioeconomic structure in the 1960s was the same as in the late 1970s. Deng's early application of market mechanism to China's reality had no great impact on China's economic advancement. He had to wait

for fortunes before switching China's modern path of development to the track of rapid economic progress.

Liu Shaoqi—the Chairman of the People's Republic from 1959 to 1968—deemed that a limited market economy and the retention of private ownership (which is the idea that Deng practiced after 1978) is not against socialism and should promote socialist development. The basic idea was what the CCP (Chinese Communist Party) now calls market economy with Chinese characteristics. Liu, rather than Deng, is still considered by some Chinese as the pioneer of market economy in the New China. Liu and Deng failed to introduce market mechanism to Chinese economy due to the wrong time within the same economic structure as in 1978. Mao Zedong was China's most powerful man and he had no concern about market economy. Under Mao's leadership, China remained poor in terms of per capita income and lowly educated. Mao had begotten the structure and state for Deng's butterfly effect.

A great success of man occurs as a combination of his character, efforts, and fortune. Talent, diligence, and virtue do not lead to great fruits if no fortune falls. After the death of Mao (who never lived in an industrializing economy except the short visit to Russia), Deng (who experienced 5-years "hard-work and frugal study" in many parts of France) was the right person with the belief in market economy and in the nation's top position to bring about the socioeconomic structural changes in the New China left behind Mao.

## MAO AS THE LEADER OF CHINA FROM 1949 TO 1976

Many are stubborn in pursuit of the path they have chosen, few in pursuit of the goal.

Friedrich Nietzsche (1844–1900)

Mao Zedong (1893–1976) was the founding father of the New China. He became the national leader after his forces defeated the Nationalist government and forced Chiang Kai-shek's government to withdraw to Taiwan. He ruled the country as chairman of the CCP from its establishment in 1949 until his death in 1976.

Mao was born in the village of Shaoshan in the Hunan Province of China. He was brought up by his peasant father and Buddhist mother. His family was fairly well-to-do. He received Chinese classics education.

He attended his village's primary school at the age of eight, focusing on Confucian classics. He then worked in his family farm at the age of thirteen. He soon went to study in a neighboring county and then moved to a secondary school in Changsha at the age of 17. In the capital city of the province, he got some Western ideas. He joined a unit of the revolutionary army for 6 months as a soldier. Then he began to study at a Hunan Provincial library on his own. He read the Western works by, for instance, Darwin, Mill, and Rousseau. He then joined a teaching course, completing his course in 1918. In the same year he went to Beijing where he got a poorly paid job as assistant in the library of Beijing University. He knew the library chief Li Dazhao, and a professor of literature, Chen Duxiu, in the university. The two men were radical Chinese Marxists and the founders of the CCP. Mao soon became a Chinese Marxist, as he portrayed himself: "I had become in theory, and, to some extent, in action, a Marxist." Influenced by the May Fourth Movement, he believed that all Chinese traditional cultures should be abolished. China should be moved to an egalitarian and communist stage.

Mao liked to read Chinese literature of tales about bandits and heroes. His vision of social order and national management was perhaps much framed by the socioeconomic structure in the Qing dynasty. Gray (1990: 19) describes the Qing dynasty as follows: "It was China's political culture rather than her political institutions, which kept life going. The object of that culture was the maintenance of peace and stability in an agrarian society, in which change was neither sought nor anticipated. The highest value recognized in China was social harmony. The method by which the Chinese sought to realize this value was the control of conflict by the imposition of hierarchically organized authority." Mao's belief and vision constructed as a failed student and a farmer in the countryside, a soldier in local regions, a lowly paid worker in youth in the capital city, and killing fields in chaotic China would later frame China once he grasped the absolute power over the country.

In 1920, Mao took a job as principal of a primary school in Changsha. He joined a group in setting up the Changsha branch of the CCP. In 1921, he was one of 12 delegates at the First Congress of the CCP. In the 1920s, Mao concentrated on political work in his native Province and Jiangxi Province. He was elected chairman of the newly established Soviet Republic of China, based in Jiangxi province in 1931. During the Second Sino-Japanese War (1937–1945), the CCP battled the Japanese invaders. Mao and Jiang (Chiang Kai-shek in Romanized Chinese and

Jiang Jieshi in pinyin) decided to start a full-scale civil in 1946. Jiang won initial victories. But corruption and inflation sabotaged his effort. In 1949, Beijing fell, and Jiang was forced to withdraw to Taiwan. On the 1st of October in 1949, the People's Republic of China was established.

Plato describes a way to become a tyrant: "This and no other is the root from which a tyrant springs; when he first appears he is a protector." Plato's logic illustrates how Mao could die as the "triumphant" tyrant. Before he got absolute power, he was quite democratic and co-operative with his superiors and equals. His democratic attitudes earned trust and followers. Once he got absolute power, he would reasonably come back to his nature as a powerful politician born into poverty and survived in brutal chaos. Mao would not change the traditional way about how to rule China as Kant describes (Schwarcz 1986: 283): "Revolutions may be able to abolish despotism, profit seeking. But they are unable, by themselves, to reform ways of thinking. New prejudices, like the old ones they replaced, will emerge to enchain, to control the great unthinking mass." Brutality is the only human capital he truly mastered after he got the absolute power.

The Kangxi emperor describes the Chinese emperor's absolute power as (Spence 1992: 29): "Giving life to people and killing people – those are the powers that the emperor has." Mao inherited this mentality. The Chinese emperor had monopolistic power over the country, including human life. Beginning in 1949, the CCP claimed that political power depends on control of political and legal institutions. The party is the law. A leader in the legal field, Peng Zhen (1902–1997) illustrated the party's view: "Is law subordinate to actuality, or actuality to law? Who is the mother? Who are the children? Actuality is the mother. It produces law. Law and theories of law are the children" (Yu 1989: 74). As the party has the power to determine actuality through information control, it could have defined the law according to its concrete needs among the Chinese cultural soil formed under the Manchus. The Manchu ruler did not treat Han Chinese as humans. the political tradition during the Qing dynasty left almost no positive influence on introduction of human rights. Han Chinese were used to cruel treatment of the government. Unlike the Japanese people who had never been under control of a monopolistic power (perhaps except a short period during WWII), Chinese people have been under a monopolistic power (except domestic or international war times) over thousand years.

During his political and military career, Mao's victories relied on mobilizing peasants and young people in large scales. By adopting situation-dependent strategies, he overcame the better-armed and better educated Chinese Nationalist Party armies. He considered people as easily available substitutes for weapons and military training—late Mao extended this substitution to substitution between the number and productivity, between the number and natural resources, and between the number and knowledge. He conceived that by making people to use their lives for his goals, he could win any war. In economic development, he forced people to grow grains in futile lands without basic cost and benefit calculations. After he controlled China, the number of people was his key resource and class struggle was his strategy of maintaining his political monopoly.

When he was confronted with America's nuclear weapons, Mao claimed that the US was unable to wipe out China as he had 600 million people and 9,600,000 square kilometers of land. In his visit to Moscow, he shocked Soviet Premier Nikita Khrushchev (1974: 255) by saying: "We shouldn't be afraid of atomic missiles. No matter what kind of war breaks out – conventional or thermonuclear – we'll win. As for China, if the imperialists unleash war on us, we may lose more than three hundred million people. So what? War is war. The years will pass and we'll get to work producing more babies than ever before." Li Zhisui (1996: 125), Mao's physician, reflected on Mao's attitude to human life: "I did not immediately understand, because it was so hard to accept, how willing Mao was to sacrifice his own citizens in order to achieve his goals... It was not until the Great Leap Forward, when millions of Chinese began dying during the famine, that I became fully aware of how much Mao resembled the ruthless emperors he so admired. Mao knew that people were dying by the millions. He did not care." There is a relationship between the people and the leader. The people support the leader. Today China still nationally admires Mao. Today his body lies at China's most symbolic place and his photo appears in China's bill with the highest value. Mao is a shallow individual with unstopped revolutionary passions. This type of individuals destroys himself simultaneously as he hurts the people associated with him. It is the race's fate to have such personality to control China. His revolutionary passion not only left almost nothing for his family, but also the entire country with huge poor and uneducated population. This tends to be the final result of a shallow-minded leader who has great passion in youth and great power in old age. His granddaughter, Kong Dongmei, illustrates the lasting impact of his revolutionary passion:

“it shows his influence, that he exists in people’s consciousness and has influenced several generations of Chinese people’s way of life. Just like Che Chevara’s image, his has become a symbol of revolutionary culture.” (Duncan 2009). Some people are “drug-addicted” to some passionate persons. In Chinese case, nothing could change their unlimited love for Chairman Mao.

## MARX’S THEORY AND CHINESE MARXISM

If anything is certain, it is that I myself am not a Marxist.

Karl Marx (1818–1883)

The least initial deviation from the truth is multiplied later a thousandfold.

Aristotle

Great thought tends to come back to influence man in intervals of a few hundred years as human collective stupidity is repeatedly corrected and reversed in changing forms in the name of actuality. Human nature is almost invariant at least seen from ancient Greek and Chinese civilizations. Great thinkers who have lasting reputations are not wrong in the sense that their conclusions are correct if the situations satisfy their (explicit or implicit) assumed conditions. When Marx’s doctrine was applied China, the assumed conditions of replacing a mature capitalism with communism had nothing to do with China’s reality. To a great degree, communism was applied to the New China during the Mao time as a religion which “is the masterpiece of the art of animal training, for it trains people as to how they shall think” as described by Schopenhauer. Mankind is still too young to evaluate Marx with human histories. Russia’ and China’ communist realities have nothing to do with Marx’s communist theory as these societies have no history of mature capitalism upon which Marx’s dream about communism is made of. China’s economic reform is to follow Marx’s ideas about capitalism—capitalism may be economically effective, even if it creates negative consequences. China’s economic reform is nothing but by admitting the wrongdoing of following the faked Marxism and making returns from socialism towards Marx’s early stage of capitalism in the name of Chinese socialism with possible negative consequences of capitalism.