## My Way of Writing Papers

# My lifelong theme is "capitalism or socialism"

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### Setting a "lifetime theme" that can be tracked for a lifetime

The key to writing a thesis is probably the selection of the theme. It is surprisingly difficult to write a thesis from what perspective. If the theme setting isn't attractive, the thesis written becomes boring.

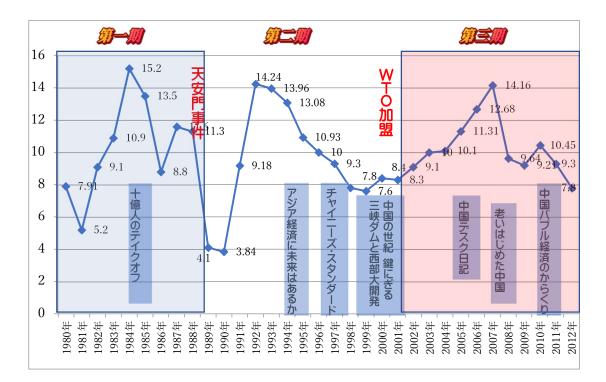
The theme may be a one-off, but it is desirable to continue if possible. The best thing is to have a "lifetime theme". If one theme can be tracked over a lifetime, as a researcher, there is nothing happier than this.

Setting the "lifetime theme" is also the way to live. How do you confront society? What kind of questions do you have and what can you do to solve them? Collect various materials, analyze them, and find the answer. Writing a thesis is the main focus, but not just writing. In some cases, it may be accompanied by actions.

### University graduation thesis becomes the starting point of a "lifetime theme"

I entered university in the early 1960s. The society was in chaos. The struggle against the Security Treaty had settled, but it was still confusing as to what kind of nation Japan should aim for. The Ikeda Cabinet, which set the goal to double the national income of its citizens, resigns, and the Sato administration appears. The Tokyo Olympics Games were held in 1964, which was used as a spring to enter a high growth period, but I was wondering if that was all right.

One seminar I took had chosen a teacher specializing in Marxian economics. During the summer vacation, I read Marx's "Capitalism" and was made to think a lot about the mechanism of capitalism. I chose "Introduction to State Monopoly Capitalism" as the theme of my thesis. Although Japan should be an economic system centered on a market economy, the degree of involvement of the state (government) was gradually increasing, and the system was becoming closer to socialism. I tried to prove that such a system must be harmful by using the input-output table that was beginning to be used at that time. I could not do much analysis, but when I think about it today, this theme became the catalyst for my "lifetime theme." Is it desirable for us to be capitalist or socialist? Is it a market economy or a planned economy? To what degree is government involvement? What is the optimal economic management system? How to determine the direction of nation-building. This awareness of the various problems was raised at this time.



### Summarization of 7 years in Beijing, a book

After graduating from the university, I joined the Nihon Keizai Shimbun Inc. and was eventually assigned to Beijing as a correspondent in 1979. I was assigned to Beijing twice for a total of nearly seven years. In 1979, China started to reform under an opening-up policy of Mr. Deng Xiaoping. From the start of China's breakthrough, I was able to observe China in a perfect position for "sand cover".

After 1984, during my first stay in Beijing, I wrote and had published "Takeoff of 1 Billion People" (Chuokeizai-sha). My first stay was four and a half years, so there was no shortage of material for the book at this pivotal time for China. At first, the book was serialized in 25 times in the "Easy Economic Class" section of the Nikkei newspaper, which I later compiled into a book.

The following points were particularly emphasized in this book. "The path China should take is to reform its economic system as aggressively as possible. Today (still by 1979), China was clinging to the feudal era and the remnants of old socialism. If this is not removed, true modernization cannot occur. For that purpose, it is quick to thoroughly incorporate the mechanism of the market economy and the logic of competition, and forcibly remove the remaining residue that is stuck."



As you can interpret from this, the central theme was how far China would promote the market economy through reform and an opening policy. It can be said that I began to develop the lifelong theme of "capitalism or socialism, market economy or planned economy" that began to sprouted while in college, but began to blown on the ground of China during my Beijing terms.

### Experts doubt China's market economy

It had only been about five years since the reform and opening-up policy was started that I began writing articles that were eventually published as a book. Shortly after the book was published, I was invited to a Chinese-related academic society to talk about the main theme of the book, but all the researchers at the participating universities who specialize in China said, "The market economy cannot take root in China." I remember being criticized.

However, at that time, the perceptions of the businessmen in Beijing were almost the same as mine, China will have a market economy, not a Chinese one, and so some of them praised "the book as their businessman's bible". At that time, very few people were specialized in studying the Chinese economy. If you go to a bookstore today, it's overflowing with books on China.

As a result, in China, the market economy has been steadily progressing since then, and now China has been transformed into a country with an economic system centered on the market economy, all be it a Chinese flavored one. It can be said that my prediction at that time was excellent.

I remember that China at that time had an open and lively atmosphere, with Hu Yaobang and Zhao Ziyang taking the leadership.

In June 1984, the Nihon Keizai Shimbun delegation met with Hu Yaobang (the top office of the Chinese Communist Party (CCP) from 1981 to 1987), and I participated as a member. The two sides came together and talked about holding a joint symposium with the Nihon Keizai Shimbun and the People's Daily, and decided to hold the first Japan-China economic symposium in Beijing in November of the same year. At this time, I was able to meet Hu Yaobang again. However, Hu Yaobang had decided to hold a symposium with a Japanese newspaper without first taking the view of the CCP, which was one of the reasons for his later loss within the CCP.

### Entering the second stage of development and the writing a "trilogy"

After that, (After when? It is not known by the above, need to be added) the Chinese economy landed on the development track, but it can be roughly divided into three stages. That is;

(1) The search period for the reform and opening policy commences. Experiments on the market economy were partially conducted.

(2) Full-scale development period of the reform and opening policy is firmly established. The market economy has begun to become part of the social fabric China. At the same time, problems such as widening disparities between the city and the countryside and environmental pollution have begun to appear.

(3) Achieved ultra-high growth with the opportunity to join the WTO. China shifts to an economic system centered on a market economy – a Chinese market economy. However, problems such as the continued widening of disparities (city/countryside) and environmental pollution are becoming even more serious. China tries to change direction, but is not successful.



In the second stage, I wrote the following listed "trilogy", catching the time when problems such as widening disparity and environmental pollution began to first appear.

1. "Is there a future for the Asian economy?" (1997, Toyo Keizai Inc.)

2. "Chinese Standard" (1998, Keiso Shobo)

3. "Chinese Century: Three Gorges Dam and Western Development" (2001, Chuokeizai-sha)

# <u>The actual situation of widening disparity, environmental pollution, etc. was laid</u> <u>out in the this "Trilogy"</u>

First, in the book "Is there a future for the Asian economy?", I focused on the fact that the market economy has spread not only to China but also to Vietnam and Southeast Asian countries.

Since these countries are developing countries, they also have various problems, and although they have tried to introduce a market economy, theirs have become a fairly distorted type of market economy. Nevertheless, I took a bird's-eye view of Asia as a whole from the perspective of whether it is possible to demonstrate the uniqueness of the Asian market economy and is it possible to establish a market economy system different from that of Europe and/or the United States. Then in 1997 was the year when the Asian currency crisis occurred. I had written a book on this very possible mater before it actually happened, so I hurriedly rewrote a part of the book and had it republished.

Secondly, in the "Chinese Standard", I focused on China from the same awareness of the problem. Although China is a "distorted market economy," I positively saw that it was a developing country and would therefore have some unavoidable creations; the distorted part will be improved little by little. Accordingly, there developed the attitude of warmly watching over China for a while. For this reason, I have not criticized China's direction very rigorously, but looking back and comparing today, some harsh views have begun to emerge.

The main focus of the book was the conflict between the United States and China. China has developed a market economy and has actively worked on "integration" with the world economy. However, even in the same market economy, the "type" of the Chinese market economy is very different from the "type" of the US market economy. In the book I predicted that if China's presence grew, the two would clash violently. Twenty-three years after the writing of this book, the United States and China are now in a fierce battle for hegemony. The sprout of this situation was born 23 years ago. Taking up one of China's new problems and digging into it, I analyzed it in Chinese Century: Three Gorges Dam and Western Development". Construction of the Three Gorges Dam has advantages such as flood prevention and hydroelectric power generation, but on the other hand, the burden on the environment is often considered to be too great.

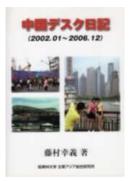
The construction of the Three Gorges Dam is an important national project, and confidentiality is required from the aspect of security. For this reason, it was extremely difficult to collect materials, but I went to the site three times to collect detailed materials. The local person in charge was stubborn, but if I met him in person, he would tell me somethings.

In this way, the "trilogy" addresses the issues of disparity and environmental pollution newly created by the progress of the market economy, first from Asia as a whole, then from China as a whole, and finally to the individual Three Gorges Dam construction issue. I narrowed the issues down in stages. As a result, the "lifetime theme", "capitalism or socialism, market economy or planned economy," has been clarified considerably for me.

#### Summarize daily news as a "China Desk Diary"

When I was an active newspaper reporter, I was able to follow the news happening in and around China while I was writing summary daily articles and editorials. However, after I moved to Takushoku University, such daily material collection was inevitably neglected.

By setting the "lifetime theme", the direction of what kind of thesis to write was clear, but the collection of materials tended to be inadequate. That is why I started to write the "China Desk Diary". From the daily news, I picked up what I thought was significant and summarize the information into a diary style. This all began nearly 20years ago.



In December 2006, the previous five years were compiled and

published by Obirin University Northeast Asia Research Institute under the title of "China Desk Diary". After that, my undergraduate teaching, etc., was so busy that I temporarily suspended my news desk articles, but I resumed again in 2011 and

continue to do so even up to today. The news that I pick up is posted on my blog. I also compile into a month run and send to a few people involved.

After all, not neglecting the daily news tracking and summarizing is the basis for writing a thesis. If it is an abstract theme, you can write a thesis without following the trends of political economy, but if it is a theme such as "capitalism or socialism, market economy or planned economy", such news collection and organization is indispensable.

### "China Beginning to Aged" Shows the Path for China

With the accession to the WTO at the end of 2001, China achieved ultra-high growth and shift to an economic system centered on a market economy. However, problems such as widening disparities and environmental pollution are becoming more serious. My view of the Chinese market economy will change significantly in the third phase of development.

I began to wonder if the way China's market economy was evolving was apparently wrong. Deng Xiaoping advocated "common prosperity" and said that some widening of inequality was unavoidable in the early days. However, Deng Xiaoping also said that when development reaches a certain stage, it should move on to the next stage and should be adjusted. However, China cannot continually be entering the next stage indefinitely, and on the contrary, the disparity only widens. In addition, the bloated state-owned sector has begun to stand out. Even in the private sector, government intervention will gradually become more prominent, and therefore the positive aspects of the market economy will not be realized.

On the other hand, the aging population and declining birthrate are beginning to stand out. Focusing on this point, "China Beginning to Aged" (2008, ASCII New Book) presented the path that China should take in the future. With a declining birthrate and aging population, what should China do in the future? I raised the issue that traditional urban, wealthy and senior executives would have to change their favors. It was the first time at that time that papers and publications were published from this perspective.

While writing a column on a website called "China Information Agency," I was invited by the editorial office of ASCII New Book to put it together in a new edition. There are many different patterns of writing a thesis, but the general rule is that they are too stereotyped and often do not give much consideration to the reader's readability. I wrote "China Beginning to Aged" thoroughly, reader-oriented, with readability in mind. I emphasized that "the marvelous economic growth is about to end. What is

waiting after that is the unprecedented" old "landscape.



# "The Mystery of China's Bubble Economy" in 2011

Mr. Hu Jintao, who became general secretary and president of the country in 2003, put forward a policy of narrowing the gap between the rich and the poor and attaching importance to the environment. However, the Lehman Brothers crisis that occurred in the fall of 2008 destroyed most of those plans. The huge amount of financial support in China that was launched created an unprecedented bubble economy. So, I wrote "The Mystery of China's Bubble Economy " (2011, Keiso Shobo).

The opportunity to write this book is very strange. A group of seminars gathered and held a study group once every few months, but we just got tired of reading books and decided to write a series of books together. I was nominated as the top batter. It was difficult after I submitted the manuscript. Various opinions erupted, each time I made a correction. It seemed endless. Nevertheless, the result was a well-developed thesis.

In the book, it was revealed that 40 trillion yuan was in the market in just two years after the Lehman Brother's crisis. I made this bold inference by including not only the statistical data released by the Chinese government but also the estimated figures estimated from the underground economy. This was a very reckless and a decent researcher would avoid it. I, on the other hand, was fortunate to be from a journalist background. Sometimes it is necessary to clarify the whole picture including "best guess" estimations in order to grasp the actual situation. The 40trillion eye popper was

just that, a good estimation to make a point.

At that time (2009??), while writing, I was getting angrier and angrier. I often thought that the general public in China had endured the tyranny of the party and the government. The government took the land from the farmers for a small compensation. They established a factory complex and sold the manufactured goods to a trader at a market price. The profit was enormous. With that as a starting point, China's new economy proceeded with further development. On the other hand, farmers who had been "forced" to sell their land suffer from living difficulties. Such a "mystery" has become clear. From my perceptive at the time, it can only be said that the direction of the market economy was wrong.

### "Correcting the trajectory" in the direction of socialism different from now

From the Xi Jinping (2012) to the Li Keqiang regime, authoritarian politics is hammered out and the nails are hammered down on the casket, China's market economy is rushing to the increasingly strange direction – something the world has not yet experiences all the while the government is stating that theirs if the right way for the world, not democracy. (Sorry, just me again having some fun. Simply cut.)

In the life theme "Capitalism or socialism / Market economy or planned economy", there are only two contrasts, capitalism and socialism, but there are various patterns in socialism as well. There are several options for moving forward to socialism, rather than lumping it together with socialism. Is China thinking about which option is right? As revealed in "China Beginning to Aged," China has limited options to take as the birthrate declines and the population ages. Powerful policies at home and abroad cannot solve the enormous challenges they are facing. Perhaps it is necessary to "correct the trajectory" in the direction of socialism that is different from the present. (Sorry. I personally would argue that China is using the "Strength" buildup to extend further out into the future its demographic problem of limited births and the aged. It is what authoritarian regimes do, shake their hand and say look over here, look over hear while they got a problem over there.)

Nevertheless, China's GDP continues to expand, and it is even said that it is only a matter of time before it overtakes the United States. Innovation in the IT field is also active. Looking at Japan's trade dependence, China is far ahead of the United States and is the top partner. Even if the direction is wrong, it will be against Japan's national interests if we do not retain a constant dialog with China – the environment can be

one such "talking point".

How should Japan, faced with such difficult choices, deal with China? From this point of view, I wrote "Leaping China Innovation: Ideas for Successful Business in China 10."

This book adopted a method called the group discussion method. Six members of the Japan-China Relations Society, who had similar awareness of the problems faced between Japan and China, shared notes, and based on that, Lei Haitao and I made a summary.

This book presented various approaches that Japan should take, but the premise is a change in the path that China should take. As it stands, even if vibrant innovation emerges in the IT field, it will not last long. The government intervention in Alibaba's business at the end of 2020 is just one example. Even if a mechanism for innovation and new business models are created centered on private companies, excessive intervention will discourage motivation and innovation. Moderate intervention should be desirable.

# <u>How to balance "government intervention" and the "free-lance market" will</u> <u>continue to be explored</u>

For more than 40 years since the introduction of the market economy system, China has continued trial and error on how to balance the "government" with the "market." Even today, they haven't found the answer. It was the first attempt in the world for a country that was a socialist country to introduce a market economy into national politics and aim for a "Chinese market economy."

For that reason, it is no wonder that it is difficult to find an end point. Certainly, it is extremely difficult to balance the "government" and the "market". (Since Reagan, it was small and smaller government, today Biden is aiming for bigger and bigger government. Big gov / Small Gov, which shall it be? Politics and the economy are always refitting themselves it seems.) Sorry me again. Please cut. If the "market" is too free, it will lose order, and if the "government" intervenes too much, it will kill the momentum. Especially in socialist countries like China, it is difficult to steer, but apparently recent policies have been over-intervened by the "government", reducing economic revitalization. There is a tendency for intervention on the part of the state to increase more and more, and thus it is daily evermore appropriate to call China "a

state capitalist".

There is also a backlash from the overseas against such economic management. Until the Obama administration, the United States has adopted an "engagement policy" as a policy toward China. In other words, it is a policy that does not consider China as the enemy, but tries to incorporate it into the international community. However, with the Trump administration, the policy toward China has changed significantly. The Biden administration also basically says that it will continue its strong stance.

There must be an optimal balance between the "government" and the "market", which can be called the "golden section". It is a subtle difference from country to country. It will vary depending on the size of the country, the abundance of resources, the degree of experience in economic management, and the level of democratization.

In the case of China, the role of the "government" has to be greater than that of Japan and the United States. This is because the country is large, the level of democratization, and the degree of experience in economic management are relatively low. However, there is a limit to how big the government should be. The farther away from the "golden section", the less efficient it becomes and the more it becomes a hindrance to economic development.

There is only one way to a solution. Xi Jinping's government needs to abandon the policy of state-owned enterprises-oriented companies, and convert to another direction to take advantage of its vitality of private enterprises, it is to adjust the balance of the "market" and "government" to each other. Until we witness that, I cannot stop pursuing the lifelong theme of "capitalism or socialism, market economy or planned economy".