

Collective Sharing of Capital

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Abstract

In the following piece, Dr. Lu takes a new approach to discuss the theoretical interplay among the Spirit of Capital, collective sharing, and modern philanthropy, and explores their historical development. Dr. Lu believes that capital is a unique type of wealth that produces more wealth, and that the wealth produced from capital should serve the majority. The philosophies of the Spirit of Capital and collective sharing form the basis for capital and majoritarianism. The material and institutional bases of social development are capital and the majority. Along with the development of the culture of capital, capitalism has gradually incorporated majoritarianism, while socialism has started to affirm the value of capital. Modern philanthropy is the practice that facilitates the collective sharing of capital, and is the best means to achieve the collective sharing of wealth. Moving capital toward collective sharing, an inevitable trend of contemporary social development, will undoubtedly advance human development.

Collective Sharing of capital combines two concepts: collective sharing and capital. Why should we move capital toward collective sharing? How? What will happen if we don't? What will happen if we do so? Here, I will discuss these issues in more depth. My basic assumption is that the material and institutional basis of social development are capital and majoritarianism, respectively. Using the wealth produced from capital to serve the majority has always been the basic meaning of social development. This proposition is the Spirit of Capital. In the 21st century, the Spirit of Capital shaped an important trend: the move toward collective sharing. This has involved sharing within countries, as well as global sharing among countries. Next, I will explain why I believe that modern philanthropy is the best approach to achieve collective sharing.

I. Capital and the Culture of Capital

Fundamentally, my perspective is that capital is a positive thing. It is very important to recognize that capital is a major source of economic and social development. Throughout the ages, people have wisely interpreted the nature of capital. Examples include the mercantilist, classical, and Marxist theories. All of these theories focus on the same few claims: capital is accumulation; capital is a means of investment; capital forms the relationship between investment and labor, and develops relationships among human beings. Each of these theories reveals certain attributes and characteristics of capital, helps people understand and utilize capital, and facilitates social development. After the Industrial Revolution, capitalism entered an important era of development. The wealth of society increased at an unprecedented rate, largely due to capital. At that time, after extensively researching the concept, Marx redefined capital in his book *Capital*. He claimed that capital is a value that can produce surplus value. "Capital drips from head to foot, from every pore, with blood and dirt," said Marx. "Capital is dead labor that, vampire-like, only lives by sucking the living blood of labor, and the more it lives, the more labor it destroys."

Many disagree with Marx's interpretation. I think that Marx's argument is reasonable as it reflects the state of capital at the time. Now, as we face global capital markets, China's capital market in particular, do we truly understand capital? We have embraced the importance of capital, the use of capital, and of capital markets all these years; we have understood the nature of capital. It is contradictory, however, to enjoy capital while at the same time criticizing its source. We love, and yet defame, capital. Marx, in fact, affirmed the positive attributes of capital in his book. He pointed out that one of the civilizing aspects of capital is that it utilizes this surplus-labor in a manner, and under conditions, that are more advantageous to the development of productive forces, social relations, and social systems. In fact, Marx did not completely deny the role of capital. He revealed the "sins" of capital, but also pointed out the civilizing aspects of capital. Marx himself traded stocks and invested in financial markets. Does that not affirm the positive role of capital? We must repair the reputation of capital. This can be done in many ways. It is certainly important to affirm the civilizing aspects of capital, even as we recognize the sins of capital. I think this is not enough, however. We must also understand and explore the nature of capital.

The traditional conceptualization of “capital” does not reflect the complex development of human civilization. Normatively, capital should form the basis of civilization; it has played a decisive role in human development. Because of this, it should not be relegated to resolving problems within the spheres of production and wealth. Rather, it should play a key role in resolving some of the fundamental problems of human society. We can utilize capital to better understand the development of society and the complexities of human relations. With this in mind, it is important to first explore the concept of capital more broadly. In order to understand the nature of capital, we must place it in an ancient and practical context that reflects its true nature. Only at that point can we appropriately analyze its distinct attributes—and in doing so realize its uses, its development, and the significance of its purpose.

I see capital as an asset, or a special type of wealth that can produce new wealth. In the early stages of human society, a man once picked two pieces of fruit from a tree and ate one. He used the seeds from the other to plant trees, and the following year those trees bore fruit. In the preceding analogy the second piece of fruit represents capital, at its earliest stage. Capital requires both a seed, and labor. Before the emergence of human labor, trees and rice grew naturally; their seeds were not capital. With the development of human labor came the main forms of capital: product capital, commercial capital, monetary capital, and financial capital. Over the long course of their development, these distinct forms of capital have given rise to a unique civilization. I call this the culture of capital, a term that echoes what Marx termed “the civilizing aspects of capital.” On further reflection, I believe the development of the culture of capital can be categorized into five stages. I have termed the early stage, the ancient stage, the early modern stage, the modern stage, and the contemporary stage. Overall, these five stages correspond to the five stages of social development: primitive civilization, farming and pastoral civilization, commercial development, industrialization, and the emergence of information technology. Presently, the information age is marked primarily by informatization and internet culture. The phases of economic development--the primitive economy, feudalism, capitalism, and socialism--likewise correspond to the development of the culture of capital. That these frameworks align, speaks to what problem? We will continue to explore the links that exist between them.

We are gradually discovering ways to utilize the multiple attributes of capital. Earlier it was noted that capital is a special type of wealth that can create more wealth. In the “early stage” of capital, this special wealth consisted mainly of human labor that changed and progressed modes of production. Within this primitive barter system and the beginnings of a culture of capital, there were only products, not commodities; only exchanges, not transactions. Living standards were quite low, and it was possible to survive with only one’s most basic needs met. In the subsequent ancient stage, commodities emerged. As human labor became stronger and production methods improved, property transactions emerged as an important means to promote trade. This, in turn, helped businesses to develop. Thus, an early form of capitalism emerged, and living conditions began to rise. Moving into the modern stage, industrial capital came into being. This continual development of capital promoted the formation and expansion of an industrial society, “big business,” and mechanization—but also gave rise to serious class conflicts. During the modern culture of capital, monetary capital grew rapidly. This type of capital came into being through more complicated means, and soon became an important facilitator of technical innovation and ideological revolution. The economy achieved unprecedented success, whereas

society experienced serious conflicts between rich and poor. In the 21st century, as the contemporary cultural of capital is ever changing, financial capital exists everywhere. The ubiquitous financial capital has intensified conflicts between the East and the West, the South and the North, and among countries. Consequently, conflicts between capitalism and socialism have become even more complicated and intense. Many key matters appear as issues of national interest; many aspects of these matters are linked by capital. Global financial capital has developed too rapidly, even abnormally. Society is enjoying benefits but is also suffering confusion and calamity brought by capital. Both capitalist and socialist countries have entered the contemporary culture of capital. These countries support as well as compete with each other; there is collaboration as well as rivalry.

Despite these consequences resulting from capital, I still see the development of capital as a positive thing. It is the truest reflection of human wisdom. Capital development accelerates social development. Ignoring, inhibiting, dispelling, or suppressing capital will lead to social stagnation, or even crisis. The developmental course of the culture of capital tells us that we should neither overlook capital, nor indulge laissez-faire capitalism. Only a correct understanding of capital, as well as the appropriate and regulated use of capital, will benefit social development. If capitalism begins to embrace regulation, based on this principle, and socialism begins to value capital, the contemporary culture of capital will certainly bloom to its fullest. Thus, we should pursue the culture of capital courageously.

II. Two Major Facilitators of the Culture of Capital: Capital and the Majority

In general, the eras of human civilization correspond to the phases of the culture of capital. Therefore, to some extent, we can say that the progress of the culture of capital is the progress of human civilization. There are two main facilitators of the culture of capital: capital, and the majority of the population—henceforth termed the majority. Capital is the basis; the majority of population provides the direction and goals. Both of these facilitators are indispensable. Missing either one would inhibit social development and progress. The development of these facilitators and the interplay between them determines the quality, level, and future prospects of the culture of capital. They also determine the great course of human development.

Thus, it is extremely important to understand the relationship between capital and the majority. In my opinion, capital has a neutral nature. There is no good capital or bad capital. People that own capital, however, are complicated; there are good people as well as bad. In fact, at every point in its development, capital has been owned by certain people. This fact may form an inertia that generates deeper impact on the society. The complexity of capital's owners, or capitalists, is what attaches good and bad attributes to capital. As a result, the goodness or badness of capital depends on the capitalists who own it. After the Industrial Revolution, for instance, the technological advances in Europe were rooted in mechanized production, which substantially enhanced productivity. The role of capital became increasingly known; social wealth significantly grew, even inflated. At that time, some capitalists used capital toward seizing greater interest; capital appeared to be benefiting only a small number. People often connected capital with vast wealth, and capital owners who exploited laborers and despised the

poor. This connection vilified capital and made capital appear as an evil. The practice of enclosure in Britain was another instance of capital being abused. This phenomenon reflected the interest relationships among capital, the majority, and the minority. The relationships manifested differently throughout history. Often, very few people owned massive amounts of capital; wealth produced by capital fell into the hands of a minority. The widening wealth gap made a few extravagant, while the majority lived in poverty. As a result, the development of capital and society did not necessarily bring the majority wealth or higher living standards. Fortunately, human beings are vigilant and smart. Once people discovered that capital had been divorced from the majority, they changed the reality through a new social pattern. Under the new social pattern, capital became a more positive tool; the benefits of capital were enjoyed by the majority, and this kept human society moving forward.

The development of human society occurred mainly in two areas. First, the “majority”—a term that pertains to social goals, which should be distinguished from the concept of “majority” in Populism. Some scholars, including Marx, believe that society should serve the majority; others want society to serve a wealthy minority. Certainly, neither perspective can be dismissed. In some cases the majority receives more benefits and other cases the minority does, depending on the social context. We must strive to fully analyze and understand this fact. In the early stages of capitalism, capital was used to oppress the working class. The minority obtained increasing wealth while the majority faced deepening distress. By the late 20th century, capitalism had gradually adjusted its institutional design in response to political, economic, social, and cultural pressures. The working conditions and living standards of the majority improved in many ways when “welfare capitalism” took shape. Regardless of how we define it, the development of capital is actually beneficial to the majority.

Thus, contemporary capitalism has not perished. It maintains its vitality despite a number of internal and external problems. During his U.S. presidential campaign, President Obama promised that he would increase the employment rate, improve public well-being, and reform the U.S. health insurance system. These proposals pertain to benefitting the majority of society. On the other hand, socialism has aimed to serve the majority since its emergence in the early 20th century.

The second area is equality versus efficiency. Generally speaking, a society focused on efficiency would have less equality, and vice versa. Equality and efficiency developed in conflict with one another. Therefore, it was necessary to create institutions and systems to balance equality and efficiency while facilitating economic growth.

Now, I will consider the case of China’s development over the last sixty years. During the era of Chairman Mao, there was greater equality. Everyone had similar living standards, wages, and housing. Yet most were unsatisfied, as production efficiency was low. China is a socialist country, and socialism should entail majoritarianism. Here, majoritarianism should be based on equality, efficiency, democracy, and legality—also the kind of socialism we need. Majoritarianism that does not address efficiency, legality, or democracy is not the socialism we need. Rather, it is a type of socialism that requires change. During the era of Deng Xiaoping, Deng proposed to first generate wealth for only a portion of the population. Many of us acknowledged this part of his proposal, but ignored the following step: for these newly wealthy

to help the rest of society achieve prosperity. Instead, many of those who became wealthy began to gamble, immigrated to the U.S., or ended up in prison. The goal of achieving common wealth was not realized.

Of course, there are some who wanted to join the philanthropy cause or develop businesses. Since the end of 2012, President Xi Jinping has indicated that he seeks to build China's efficiency, while holding true to Chairman Mao's philosophy of equality and majoritarianism. At the same time, based on Deng Xiaoping's philosophy of achieving common wealth, we will attain social wealth for the majority. This process will be rooted in equality, democracy, and legality. In other words, we will achieve collective sharing by all. I consider this the main requirement of China's socialist development. This philosophy represents the trend of, and need for, collective sharing in the current global economic climate, as it affirms modern capital while maintaining majoritarianism.

We may then reach this conclusion: the more developed a society is, the more developed its use of capital will be. The more developed the capital is, the greater an extent to which it will serve the majority, and the more civilized society will be. In looking at the various stages of the culture of capital, and the stages of the development of human society, we find many parallels. This establishes the logical relationship between capital and the majority. Such a relationship reflects the developmental process of the culture of capital, as well as the historical development of society. Therefore, to fully understand capital and majoritarianism is to capture the basis, and direction, of civilization.

III. Returning to the Heart of Civilization: Spirit of Capital and Collective Sharing

As human society develops, both eastern and western civilizations face many difficulties. The fundamental cause is that we have not sufficiently grasped or learned to utilize capital and the majority. Moreover, we have not returned to what is ultimately behind capital and the majority – the soul of civilization. The soul of civilization can be defined in many ways. In my opinion, it is comprised of two elements, which underlie capital and the majority: the Spirit of Capital, and collective sharing.

I say “returned,” rather than “sought” or “explored,” because capital, majoritarianism, the Spirit of Capital, and collective Sharing have long existed in human society. From the perspective of ontogeny, the Spirit of Capital was concurrent to the emergence of capital, while collective sharing was the first and foremost milestone of humanity civilization. Without the philosophy and action of collective sharing, humanity would not be as developed as it is today. The two “souls” of civilization have always existed and developed; they are embedded in human beings' thoughts and behaviors. People, however, often lose or forget about these two “souls.” When this occurs, we must ask ourselves: would humanity develop normally if the souls of civilization existed, but were ignored by us? Apparently, the answer is no. We must keep hold of these two souls, and search for them if they become lost. Today, although few people consider the souls of civilization, more and more people notice social problems. As a result, we are beginning to return to the souls of civilization--the Spirit of Capital and collective sharing.

What is the Spirit of Capital? This is an important concept that I have spoken about for seven years, and written a book about. I define the Spirit of Capital as the intrinsic motivation toward, and ultimate concern for, capital formation and capital development. Capital is a concept devoid of emotions or values. Once human beings become involved in producing and attaching value to capital, and particularly once people give capital the moral force of an ultimate concern, the Spirit of Capital emerges. The Spirit of Capital existed before we detected or refined it. All cultures of the world, including Confucian culture, religious cultures, ancient Greek culture, and ancient Indian culture, have identified the light of the Spirit of Capital. To clarify the meaning of this concept I will refer to Puritan philosophy, which espoused striving to make money, striving to save money, and striving to spend money on sacred causes.

The Spirit of Capital is not only the spirit of those who own wealth or capital, but also the spirit of all who participate in capital movement. The Spirit of Capital also embodies the motivations for producing and using wealth. Why do we earn money? To spend money, of course. But more specifically, different motivations to earn money result in different approaches to earning money, different emotions attached to earnings, and different amounts of money earned. At this point, the Spirit of Capital has two functions. First, it is our motivation for progress, as capital is an important tool for facilitating economic development. Second, it is a mechanism of balance, as it guides people to pursue social justice, harmony and progress, while at the same time seeking prosperity. Take this analogy: if you drive on the highway without a good engine, your car may not go far or even start; on the other hand, without good brakes, it may rollover. The Spirit of Capital is the engine *and* the brakes of economic development. That it functions as a motivating and balancing mechanism is objective truth.

Now, what is collective sharing? In August 2012, I spoke about collective sharing for the first time. This concept was based on my long-term analysis of economics, sociology, and history, and particularly on my thoughts about the Spirit of Capital. Over the past two years I have given speeches on topics such as *Philanthropy and Collective Sharing*, *Pursuing Collective Sharing Beyond the "Left" and the "Right,"* *Moving toward Collective Sharing*, and *Collective Sharing of Capital*. All of these speeches focused on collective sharing. I believe that collective sharing is a symbiotic relationship among all human beings; between people and society; and between people and nature. The philosophy of collective sharing involves a systematic analysis of these relationships. Traditional philosophies of collective sharing existed in ancient times. Examples include Confucius's Great Harmony ideal during China's Chunqiu Period, Sun Yat-Sen's Harmony plan, Plato's "Utopia," and Marx's Communism. These form the basis of my collective sharing philosophy. With the development of human society, both material and spiritual life have undergone tremendous changes. Today, collective sharing transcends many traditional philosophies and incorporates the pursuits and hopes of modern people. To understand collective sharing it is important to consider the following five areas.

First, collective sharing springs from the Spirit of Capital. When capital emerged, so did the Spirit of Capital. Collective sharing, the tremendous idea that has only emerged in civilized societies, embodies the balancing and motivating functions of the Spirit of Capital. The Spirit of Capital is the foundation; without it, there would not be collective sharing. Collective sharing is an extension of the Spirit of Capital. Through collective sharing, the Spirit of Capital

acquires greater value. It is impossible to produce wealth without capital. It is also impossible to motivate people to better create and use their wealth without the Spirit of Capital. From my perspective, this interplay advances the spiritual values that facilitate the development of human society. For this reason we should certainly enhance people's awareness and understanding of the significance of Spirit of Capital and collective sharing, and continue to promote these philosophies.

Second, collective sharing requires a strong foundation composed not only of material supports, but also institutional infrastructure. From my perspective, capital and majoritarianism are the essential two components of this foundation. Capital is an important element of the material infrastructure, while majoritarianism facilitates institutional development. Both of these elements must be strong. If either one is weakened, development may be obstructed. In this light we can begin to grasp the importance of capital, and its ability to produce wealth. Only through majoritarianism can we foster more effective use of capital, in order to benefit all humanity. If we are unable to maximize capital's power to create wealth, even within a majoritarian system, living standards for the majority will not improve. On the other hand, if capital is properly stimulated to create wealth, but the outcomes do not align with the goals of the majority, society will not improve. Therefore, at any given time, it is important to achieve the proper balance between capital and majoritarianism. To some extent, this can determine the direction, and extent, to which society develops. The histories of both capitalism and socialism illustrate this point.

Capitalism was the first system to fully grasp and utilize capital. In fact, its very existence, and development, rest on capital. Capitalism attaches great importance to capital and the market, and their various functions. When reliance on capital and the market was paired with innovation, it led to rapid economic development and the drastic improvement of social conditions. However, capitalism has an inherent flaw. It is not rooted in majoritarianism, and therefore its goals do not necessarily reflect the values of the people. Despite the advances that capitalism has produced through its focus on capital, the missing link between capital and the majority has given rise to many problems in the 1990s. Economic development slowed, and a number of social problems emerged. Since its founding, socialism has valued majoritarianism, and aimed to benefit the greatest possible number of people. This is not only an intrinsic component of the socialist system, but also an institutional advantage. Yet, in the past, socialism did not approach capital objectively or properly. It did not affirm the importance of capital for generating social innovation, or its potential for creating wealth, but rather rejected its value altogether. Socialism pushed for the eradication of capital, rather than for the development a capital civilization. Socialism has continued to trample on the potential of capital, which has led to increasing problems. Traditional socialism denied the importance of capital entirely—and by denying the fundamental driving force behind wealth creation, it undermined society's vitality. This form of socialism proved to be backward, and ultimately unnecessary. In the late 1970s China began to reawaken socialism, by correcting its problems and recognizing the potential of capital. In the 1990s China further integrated capital and the market, and in doing so produced sustained, rapid economic growth. Relying on capital alone, without majoritarianism, is not enough; there is no future to this path. Only focusing on majoritarianism, and rejecting capital, thwarts a positive future. Capital, which in its current form is serving capitalism, can likewise serve socialism.

Once socialism, with its goal of majoritarianism, embraces the uses of capital, it will develop into a truly superior, and formidable, system. Such a system would generate both material and spiritual wealth, while providing robust social safeguards. Capitalist societies have become increasingly aware of their system's own shortcomings, and the harms it causes. For this reason, these societies have been developing new ways to compensate and protect their people. Regardless of whether capitalist systems concede this trend, it is apparent that they are moving in the direction of majoritarianism. Likewise, socialism has moving toward an unprecedented attention to, and use of, capital. Hence, while capitalism has done all in its power to curb socialism, and alter it through various "color revolutions," perhaps these systems will not be enemies forever. I believe that in this modern Internet era, an era of highly developed information technology, human wisdom and intelligence may lead to the integration of the foundational principles of capitalism and socialism—capital and majoritarianism. If this occurs, opposition may give way to cooperation, and we may all be able to focus on developing and progressing together.

Third, collective sharing has become an important characteristic of global economic and social development. Why do I believe this is so? First, it is important to recognize that capitalism is beginning to adjust the balance between capital and majoritarianism: jobholders' income levels and living standards continually rise, and social security and social welfare systems are continually improved. This increasing focus on people's living conditions reflects an overall movement toward collective sharing. At the same time, socialism has also progressed through comprehensive political, economic, cultural, social, and other reforms. I believe that while the methods and measures of these reforms are many, they have all contributed to a shift toward collective sharing—allowing the people to enjoy growing material and spiritual wealth. President Xi Jinping recently highlighted the importance of collective sharing, when he suggested that the Chinese people should come together to enjoy life, realize their dreams, and share this era of progress and opportunity (People's Daily, 2013)¹. I feel that President Xi has the strongest understanding of capital, as well as majoritarianism. He has led the Chinese people through comprehensive reforms, combated corruption, and ably managed state affairs, and at the same time liberalized the restraints on and regulated capital, to protect the interests and rights of the people. Not only does he grasp the importance of capital, but also of the goals of the people; he has utilized capital to create wealth, in order to serve China—bold progress toward collective sharing. It is clear that capitalist and socialist systems worldwide, regardless of the political and economic climate, are undergoing significant changes, becoming more interconnected, and correcting past problems. As time goes on, these systems are adopting more and more characteristics of collective sharing. I believe this is the common gospel of human society.

Fourth, it is important to correctly handle the relationship between collective sharing and communism. I want to particularly stress that collective sharing is a goal, and communism is one of many methods to achieve that goal. Communism has, at times, been considered an objective—but should never be considered an ultimate goal. Communism was the

¹ People's Daily. (2013). Xi Jinping's speech at the first meeting of 12th National People's Congress. *Chinese Communist Party News*. Retrieved from <http://cpc.people.com.cn/n/2013/0318/c64094-20819130.html>

end goal of the French Revolution, the Chinese Revolution of 1911, and the 1949 Socialist Revolution in China. This form of communism can only be conditional, with short-term objectives and specific targets and rules. I am not opposed to communism, but do oppose three particular communist beliefs and types: communism as an end goal; endlessly sharing wealth; and disordered and confounded communism. We must consider the essence of communism, and not simply dismiss it; but it does not deserve unfounded respect. Even if communism is unavoidable at times, it exists only as a stage in the path toward collective sharing. As I see it, the form of communism conceived of by Marx was the principle of collective sharing. Within the context of his day, Marx only carried out the basic framework of communism—such as implementing a form of public ownership, and eliminating privatization. Clearly what he sought was the sharing of social resources, means of production, and society's wealth. He used "communism" to describe this, and people therefore did not recognize the ideas and requirements of collective sharing. With the economic and social development of the twenty-first century, mankind should do a better job of analyzing the concepts that Marx proposed. Simply looking at communism is insufficient. We must also look at collective sharing, and use it to guide social development, appropriately allocate resources and wealth, and safeguard basic human rights. We must share the wealth and success, as well as the rights and power, which spring from social development. Toward this end, in the future we must adhere to the rule of law in managing state affairs, and further improve the soundness of our legal system. The law can promote collective sharing by protecting capital, and safeguarding the rights and goals of the majority. Only then will our system be truly superior, and create a better future for humanity.

Fifth, we must recognize and understand the path toward collective sharing.

Selecting the right path is an important task. I believe that achieving a sequential and sustainable process of development is impossible in a single bound. First we must form consensus, followed by shared governance, and ultimately achieve collective sharing. On the surface, there is one key problem: the difficulty of reaching agreement. It is absolutely necessary for the elites of society to reach consensus; for this reason I consider consensus to be that among elites. Who comprises the elite? I would identify four categories: the ideological elite, constitutional elite, political elite, and professional elite. If a consensus among elites is reached, and is disseminated to the public, it should be possible to make public decisions without causing turbulence. These are key ideological and social foundation of collective sharing. An important aspect of shared governance is the acting body—clarifying who it is that governs. I feel that shared governance in China must consist of government officials and the people. Philanthropy is an important aspect of our Party's cause. Our Party leads a good government, but also must lead a good society. It must foster government administration and public autonomy.

This topic brings to mind the recently published book by French economist Thomas Piketty, *Capital in the Twenty-First Century*. Piketty analyzed the history of wealth distribution in developed nations, from the 18th century Industrial Revolution to current data. He concluded that unregulated capitalism has caused vast wealth inequalities, and that the free-market economy cannot completely solve the problem of economic disparity. I agree with his view. Addressing the problems inherent to capitalism and the free market will require intelligent, innovative reforms. Piketty explored the sources of inequality, but the solutions were left unclear. Certainly, solving global economic and social problems is a complex matter. In particular, solving the problem of inequality may be the most fervent pursuit of humanity. If we

utilize the heights of the human spirit and intelligence, and maintain a firm grasp of our shared direction and goals, effective solutions may abound. Human beings share a common genealogy, and most are longing to share, to sacrifice, and to actively engage in harmonious development. Therefore, to call on the soul of civilization, we must return to the most basic elements. Capital is the foundation of human development, and collective sharing is its ultimate goal. The spirit of capital and collective sharing forms the happiest and most basic value orientation for society. This value orientation rests on utilizing capital for the good of all people—not serving a minority, but rather maximizing efficiency. Deng Xiaoping once stated that if China’s reforms and development cannot ultimately lead to prosperity for all, it will be a failure. I think that the development of society and capital will move humanity towards collective sharing, and that developing the spirit of capital will realign society with majoritarianism, and move towards collective sharing.

IV. Modern philanthropy: The path between Capital and Collective Sharing

As previously discussed, as capital produces wealth, the spirit of capital entails appropriately handling the intentions and demands of wealth. The optimal direction for social development lies in carrying forward this spirit of capital—through politics, economics, culture, society and other areas—and always using the wealth that capital produces for collective sharing. The truth is, this is not easily put into practice. It needs to follow a process, even if that process is long. We must find a reliable way, which I believe is modern philanthropy.

Modern philanthropy originated in the United States in the late nineteenth century. A defining characteristic of modern philanthropy, one that distinguishes it from traditional charity, is the use of enormous contributions. Money is provided to individuals, groups or even regions, for use on specific projects. For instance, the Rockefeller Brothers Fund has donated hundreds of billions of dollars to various charitable projects worldwide, some of which have meaningfully shaped U.S. policies. Another example is the Bill and Melinda Gates Foundation, which donates tens of billions of dollars to global initiatives that support healthcare and reduce extreme poverty. Modern philanthropy, whether in the form of donations from wealthy individuals, “philanthrocapitalism” (also known as venture philanthropy), or social impact investing, require significant sums of money. Where does this money come from? It is inseparable from capital: without capital, and without the fortune it produces, there would be no modern philanthropy. I conclude that philanthropy *is* collective sharing. To obtain the donations that fuel modern philanthropy, we must show people the path by which capital is used for collective sharing. When capital is used to create wealth, that wealth can be returned to society by way of charity to help people in need. This opens a very important channel between capital and collective sharing.

Moving forward, how can we further develop modern philanthropy? Politicians’ primary task is to achieve a system of good governance, while entrepreneurs’ main task is to improve the wealth of society; so how can philanthropists, particularly those in China, fulfill their responsibility of moving modern philanthropy forward? First, we need more entrepreneurs and more of our nations’ wealthiest—those hands that grasp the largest sums of capital—to take part in philanthropy. They do not necessarily need to make large capital investments. Instead, they can merely allocate the wealth produced by some portion

of capital to charity, and inspire others in the community through their commitment and participation. By helping to resolve social issues, they will ultimately guide much more wealth toward collective sharing. Also, modern philanthropy should more frequently dwell within the nonprofit sector. When entrepreneurs and wealthy individuals engage in charitable giving, it is best not to involve public authorities and state-owned enterprises. Public authorities should guide and regulate modern philanthropy according to legal norms, but should not control modern philanthropy through power. Modern philanthropy should increasingly operate within the nonprofit sector, where capital is continually pushed towards collective sharing, in order to invigorate society to strive for progress.

Second, human society has never developed at such a rapid pace, and ideas change just as quickly. As modern philanthropy is linked to the well-being of people, particular the most vulnerable, it is essential to develop new ideas in this field. I have systematically approached the topic of innovation in the field of philanthropy, and propose that Chinese philanthropy follows five principles, embodies six qualities, and follows a philosophy of “five threes.” For instance, the three visions of modern philanthropy are pureness of charity, charity with dignity, and charity for well-being. The three taboos are politicizing charity, commercializing charity, and doing charity for the sake of entertainment value. The three actors are professional philanthropists, philanthropic professionals, and theorists. The three rules are virtue, rule of law, and holiness. The three public goods are rights, welfare, and citizenship. Most important, however, are the relationships among the three public goods. Modern philanthropy must improve its transparency, specialization, and public appeal, among other things. I believe that by popularizing and promoting these concepts, and by strengthening international communication, modern philanthropy can reach new heights.

Third, it is important to establish charity systems, particularly a legal system. We are paying closer attention to this issue, and society has high expectations. In turn, we need stronger laws to promote and protect philanthropic endeavors. The Standing Committee of the National People’s Congress recently introduced a “Charity Promotion Act” into its legislative plan, which it hopes to enact in 2016. This is an important landmark for modern philanthropy.

Fourth, we must create a positive social environment in which philanthropy can thrive. This is essential. Modern philanthropy is inherently society's cause, and needs society to understand it, support it, and participate in it. Without society and public participation, modern philanthropy would lose its basis for development. Economic and social problems stemming from the unequal creation and access to wealth have affected people’s understanding of capital, as well as their attitudes toward the rich. Many people view the rich as having obtained their wealth unethically, which has bred tremendous resentment. On further reflection, when we as wealthy individuals enter the ranks of “the rich,” it is likewise difficult to understand how we got there. It may be explained by hard work, or good opportunities; the reasons are numerous and complex. For a long time there was no system of rules for the wealth creation process, which led to new situations and new problems. Some of these problems we caused ourselves, while others were rooted in the social system. To address the so-called “evil” rich—if one becomes wealthy by abusing his authority, does it make sense to despise that person? Of course. However, while some resentment may be understandable, it is important to not only despise the rich, but also eliminate this type of wealth through legal means.

If a society is marked by hatred, can it also be hopeful? The entire community should treat the rich properly, and objectively analyze the groups that have accumulated wealth over the last thirty years. Philanthropy requires involvement by the wealthy. But when the wealthy engage in charity their wealth is revealed and they are despised, so why would they continue to participate? The social climate surrounding philanthropy is therefore very important. At this juncture my approach is to speak for the rich, and act on behalf of the poor. My hope is that more of our nation's rich will engage in philanthropy, and thereby forge the path from capital to collective sharing. I believe that connecting capital and collective sharing will unleash a torrent of human development, under capitalist and socialist systems alike. Collective sharing will lead these systems to converge, find common ground, and generate progress. This is my theory for the foreseeable future. For a long time, capitalism and socialism experienced friction pertaining to capital and majoritarianism—the two strong hands. However, capital and majoritarianism have become increasingly interconnected, and brought into balance. This trend will not change, but only intensify.

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