WSWS International Editorial Board meeting

The implications of China for world socialism

Part Three

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WSWS IEB chairman David North's report *was posted on 27 February. SEP (Australia) national secretary Nick Beams' report was posted in three parts:* Part one *on February 28,* Part two *on March 1 and* Part three *on March 2. James Cogan's* report *on Iraq was posted on March 3. Barry Grey's report was published in two parts:* Part one *on March 4 and* Part two *on March 6. Patrick Martin's report was published in two parts:* Part one *on March 7 and* Part two *on March 8.*

Three decades ago, Beijing used to employ "left" rhetoric calling for "the overthrow of world imperialism". At the same time, various opportunists and middle class radical tendencies denounced the Trotskyist movement for failing to see the "great achievements" of the Chinese Revolution. They hailed Mao Zedong's slogan that "power grows out of the barrel of the gun" as opening a new road to socialism, based on peasant guerrilla armies, without any involvement of the working class.

Today, Mao's China is one of the main pillars supporting world capitalism. How do we assess this evolution? First of all, the Maoist regime established in 1949 had nothing to do with genuine socialism. While it retained the title of Chinese Communist Party (CCP), the social and political content of the movement fundamentally changed after the defeat of the Chinese working class in the 1925-27 revolution.

Following the 1927 disaster, for which Stalin's nationalist perspective of the "two-stage theory" was directly responsible, sections of the CCP fled to the countryside and set up so-called "rural soviets". Abandoning the working class in the cities and embracing the peasantry, the CCP was transformed into a radical nationalist movement in alliance with sections of the Chinese bourgeoisie.

In the immediate aftermath of World War II, Mao's peasant "red armies" were able to defeat the corrupt Chiang Kai-shek dictatorship because of certain favourable conditions. Japanese imperialist aggression had seriously weakened the Kuomintang regime, while the Stalinist bureaucracy in Soviet Union wanted to establish a buffer state in the Far East. However, Chiang Kai-shek, with whom Stalin had established an opportunistic alliance in the 1920s, was now pro-US.

Moscow handed large quantities of Japanese weapons captured in Manchuria to Mao, changing the balance of military forces between the CCP and the KMT. Stalin's original plan was that Mao would stop at the Yangtze River and share the country with Chiang. However, the KMT could barely hold China together even before the war, while the Maoist movement enjoyed considerable support among the peasantry because of its land reform program. To sections of Chinese bourgeoisie, the CCP also represented an alternative.

When Mao proclaimed the birth of the People's Republic in October 1949, he was not declaring a new socialist, working class regime, but a "democratic" government led by the CCP, along with a dozen bourgeois parties. In his speech in Tiananmen Square, Mao declared that "the Chinese people have stood up," reflecting the aspirations of sections of the bourgeoisie to gain national independence and advance Chinese capitalism.

The most significant social transformation following the 1949 revolution was not the nationalisation of industry but land reform—a classic bourgeois demand. It was not Mao, but the KMT's founder, Sun Yat-sen, who was the first in China to raise the call for land reform in the 1900s as part of his revolutionary program to overthrow the Manchu dynasty and develop Chinese capitalist industry.

Under the conditions of the "Cold War," Beijing confronted an economic blockade by the US and then the outbreak of Korean War, during which the US threatened to attack China. Instead of promoting the market and encouraging external trade, the Maoist regime was compelled to take over most industries and institute bureaucratic planning, largely in preparation for a war with the US.

During the so-called "Great Leap Forward" in the late 1950s, Mao forcibly collectivised agriculture into self-sufficient communes, and organised farmers and workers into military-style production units. These measures reflected Mao's peasant outlook of autarchic national socialism. Even with his "socialist" pretensions, Mao always saw the "Great Leap Forward" as a means of remaking China into a great power and catching up with the advanced capitalist countries.

The massive famine and economic crisis that killed tens of millions of people during the "Great Leap Forward" shook Mao's leading position in the party. Sections of the state bureaucracy headed by Liu Shaoqi and Deng Xiaoping, the "capitalist roaders", started to implement economic policies similar to the "market reforms" of the late 1970s.

In order to regain the initiative, Mao and his faction launched the so-called "Cultural Revolution" in 1966 that brought down the "capitalist roaders". But Mao had no answer to the country's economic crisis, and in 1971 he reached a rapprochement with US imperialism, laying the diplomatic foundations for Deng Xiaoping to inaugurate his "market reforms" and open the country to foreign capital in 1979.

The victory of Deng's program was not accidental. The policy of "market reform" was based on Mao's own "two-stage" theory, which insisted that a long period of capitalism was necessary, before socialism could even be attempted in the indefinite future.

In 1980s, the regime denounced state control of the economy under Mao as a product of his "ultra leftist" attempt to build communism in a

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backward county without the necessary economic base. Deng argued that the material and economic base must develop through decades and even centuries of capitalist development. This is the official doctrine of Beijing today, which is called "socialist market economy" or "socialism with Chinese characteristics".

Deng always rejected comments by the Western media that he represented a break with Maoism. On the contrary, Deng always stressed he was returning the party to the "correct" Maoist line on which the regime was established in 1949. His "market reform" was part of the broader process of globalising production from the late 1970s. Like other bourgeois nationalist movements of the post-war period, the Maoist regime had no difficulty in abandoning its "anti-imperialist" rhetoric and transforming China into a cheap labour platform.

Rather than some kind of deformed workers' state, it would more accurate to characterise Mao's China from the outset as a deformed bourgeois state. The anti-working class character of the regime has been apparent ever since 1949, as the Beijing bureaucracy suppressed any independent role of the workers. Under "market reform," Beijing has consciously acted as the collective representative of the interests of both Chinese capitalists and foreign investors, using police-state measures to enforce the ruthless exploitation of the working class.

"Market reform" in China was not a spontaneous process, but required active state interference and even violence to impose socially destructive policies on the Chinese masses. The massive supply of cheap labour was created by Beijing's dismantling of the rural communes and state enterprises in the past two decades. This process reached its peak after the brutal massacre of students and workers in Tiananmen Square in 1989, which sent a message to international capital that any means would be used to suppress the working class.

In order to maintain rapid economic growth, the state heavily subsidises its export sector and industries such as auto and steel through preferential financial treatment. On the basis of the state ownership of land, the government has expelled millions of people to make way for the development of numerous industrial zones. The state also pours tens of billions of dollars a year into building highways, ports, power stations and telecommunication networks, to create an infrastructure to attract foreign investors.

The result is an explosive growth of industry. The Shenzhen Special Economic Zone, for instance, was just a fishing village in early 1980s. In 2006, it is one of the world's largest manufacturing centres with a population of 10 million.

As China has become the "workshop of the world," the Chinese government functions at all levels as the office for international investors. Government partiality toward management is obvious. Corporate tax is the main income of local authorities, leading to a fierce competition between cities, regions and provinces to attract foreign capital. The more relaxed the regulation of wages and working conditions, the more likely investors will come. Moreover, many local governments and officials are themselves partners in joint ventures. The Chinese partner usually provides the land and the building and ensures a docile workforce. In such an environment, government and corporations stand together against the workers.

Under conditions where tens of millions of rural migrants are looking for work in the cities and many more state enterprise workers have been laid off, workers are forced to accept subsistence wages, long hours and harsh conditions. According to an article in the *China Daily* on November 29, total wages as a proportion of GDP fell from 16 percent in 1989 to 12 percent in 2003, despite the fact that the economy doubled twice in size.

Heavy taxation, official corruption and growing competition following China's entry into the World Trade Organisation has multiplied rural hardship and poverty and is undermining the CCP's traditional support among the peasantry.

The plundering of state-owned enterprises and endemic corruption within the autocratic regime have established a fusion of political power and money. It is the revival of what was known in the pre-revolutionary era as "bureaucratic capitalism"—a term used to describe the dominant section of the old Chinese bourgeoisie. They were widely remembered in China as compradors or middlemen for foreign capital in exploiting the country's cheap labour and resources. They depended on the corrupt Kuomintang dictatorship to suppress the working class and peasantry.

The implications of growing unrest

The result is rising social discontent and widespread hostility among workers and peasants toward the regime. According to the latest figures released in January by China's Ministry of Public Security, the number of protests and riots increased by 6.6 percent to 87,000 in 2005. In a plea to the public, a ministry spokesman said: "We hope the masses will express their appeals through lawful channels and consciously safeguard public order and respect laws to resolve problems in a harmonious and an orderly way."

What does this increasing social discontent signify? It is an expression of extreme social polarisation between rich and poor, with almost no social buffer between the regime and the masses.

One of the bloodiest clashes between authorities and protestors took place in December when Chinese paramilitary police units armed with automatic weapons shot and killed a number of villagers in the southern province of Guangdong. This is the first reported incident in which the Chinese government has used firearms to suppress a protest since the Tiananmen massacre.

The incident alarmed the US-based think tank Stratfor, which commented on the social explosion brewing in China. "This is an explosive mixture in any country, but particularly so in China, which has a tradition of revolution and unrest. The idea that the farmers will simply walk away from their land or that the unemployed will just head back to the countryside is simplistic. There are massive social movements in play that combine the two most powerful forces in China: workers and peasants," it stated.

"The important thing to note is that both the quantity and intensity of these confrontations is increasing. While the Western media focus on the outer shell of China's economic growth—the side that is visible in Western hotels throughout major cities—the Chinese masses are experiencing simultaneously both the costs of industralisation and the costs of economic failure. The sum of this equation is unrest. The question is how far the unrest will go.

"At the moment, there does not appear to be any national organization that speaks for the farmers or unemployed workers. The uprisings are local, driven by particular issues, and are not coordinated on any national scale. The one group that tried to create a national resistance, Falun Gong, has been marginalized by the Chinese government. China's security forces are capable, growing and effective. They have prevented the emergence of any nationalized opposition thus far.

"At the same time, the growing and intensification of unrest is there for anyone to exploit. It won't go away, because the underlying economic processes cannot readily be brought under control. In China, as elsewhere, the leadership cadre of any mass movement has been made up of intellectuals. But between Tiananmen Square and jobs in Westernized industries, the Chinese intellectuals have been either cowed or hired. China is now working hard to keep these flashpoint issues local and to placate localities that reach the boiling point—at least until later, when arrests can be made. That is what they are doing in Shanwei [where the

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police shooting took place]. The process is working. But as the economy continues to simultaneously grow and worsen, the social unrest will have to spread."

It is worth noting that Stratfor is far more objective in its understanding of the relationship between the working class and its leadership than university academics who write volume after volume denouncing Marxists for insisting on the need for a vanguard party of socialist revolution.

Bourgeois professors tirelessly attack Lenin, particularly his *What Is To Be Done*, denouncing his emphasis on educating the working class in a socialist outlook as being "elitist" and responsible for the rise of the Stalinist dictatorship. However, more practical analysts who closely watch the class struggle on behalf of the bourgeoisie, like Stratfor, bluntly state that a leadership in China, as elsewhere, is a vital condition for mass revolutionary movement to develop.

Here lies the profound significance of the WSWS/SEP Summer School held at Ann Arbor in the US last year. The socialist movement in China will not be revived without a conscious clarification of the enormous confusion created by the betrayals and crimes of Stalinism in the last century.

One of the most important factors in the events of 1989 in the Soviet Union, Eastern Europe and China, as David North's first lecture pointed out, was an ignorance of history. The spontaneous uprising against the Stalinist bureaucracy was not translated into a conscious movement for the socialist regeneration in Soviet Union, or, in China for a genuine socialist and democratic state.

The Stalinist regime in China was able to crush the working class, above all because of the lack of a Trotskyist perspective. The leadership of the anti-government movement was dominated by middle class liberals who promoted the illusion of democracy under capitalism. They argued that the crimes of Maoism and the crisis of the Soviet Union demonstrated that the entire enterprise of socialism was doomed to failure. Although capitalism will create inequality, they said, it was the only viable social and economic formation. Without a counter-argument based on overcoming the decades of historical falsification identifying socialism with Stalinism, the movement of the Chinese working class could go no further. Deng Xiaoping ordered the troops into Beijing and crushed the protests under the false banner of "defending the socialist system".

Some 15 years later, it is obvious that Beijing has nothing to do with socialism and that the expansion of market capitalism will not bring democracy. This does not mean, however, that the working class in China will spontaneously adopt the perspective of international socialism. Beijing is desperately trying to fill the ideological vacuum with Chinese nationalism and other conservative ideologies such as Confucianism, which, by the way, the founders of the CCP declared war on.

This situation can be changed. Analysts like Stratfor point to the lack of socialist leadership within China, but do not take into account the international factor. They forget that the founding of the Chinese Communist Party was not an organic product in China but was the consequence of the international upsurge of the working class in the aftermath of the Russian Revolution and World War I.

Prior to 1917, few people foresaw that China, so backward and conservative, would become a country where the rise of communism and its betrayal would be so decisive for the course of the twentieth century. The failure of China's bourgeois revolution in 1911, the rampages of the warlords, the disillusionment with "democratic" imperialism during World War I and the success of the October 1917 Revolution—all these explosive events rapidly turned the ideological atmosphere in China in a new direction, culminating in the May Fourth Movement of 1919 and founding of the Communist Party in 1921.

In the course of a few years, the most advanced layers of Chinese intellectuals not only carried out an unprecedented campaign of bourgeois enlightenment which Sun Yat-sen failed to do, but drew far-reaching conclusions concerning the necessity of "following the Russian road".

The ideological leap in the May Fourth Movement anticipated the class logic of the impending Chinese Revolution: either the democratic tasks would be accomplished by the Chinese working class as part of the international socialist revolution that began in Russia or they would not be carried out at all.

The betrayal of the 1927 revolution by Stalinism tragically vindicated Trotsky's warnings in the course of his struggle against Stalin's opportunist policy toward the Chinese Communist Party. The emergence of Maoism and its subsequent evolution are inseparable from these events.

It is these historical lessons that Beijing has been trying to prevent the Chinese working class from knowing and understanding. Beijing is terrified by the massive growth of the Internet in China. It is trying to prevent the spread of "dangerous" political ideas through censorship and the establishment of a so-called cyber police force to monitor the millions of Internet users.

But the use of physical force to suppress ideas is not an expression of ideological strength. The extension of the *World Socialist Web Site* into Chinese, clarifying the history of Stalinism and reviewing the collective experiences and lessons of the international working class in the twentieth century, will have a profound impact in China.

Concluded

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