The CCP Congress and the bankruptcy of “Socialism with Chinese Characteristics”

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The 20th Congress of the Chinese Communist Party (CCP) concluded last weekend with the installation of Xi Jinping for a third term as party general secretary; the stacking of the top party body, the seven-member Politburo Standing Committee, with Xi’s supporters; and the incorporation of “Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era” into the party’s constitution.

The entire ritualistic and stage-managed affair lauding Xi as the party’s “core,” with its huge bureaucratic apparatus united behind him, belies the enormous crisis that confronts the CCP regime on every front. The elevation and incessant promotion of Xi as a great leader is not a sign of strength, but rather of weakness.

Xi has assumed the character of a Bonapartist leader precariously balancing between the subterranean factions rife within the party amid a slowing Chinese economy, profound social tensions and an accelerating drive by Washington towards war with Beijing.

Xi opened the Congress with a lengthy two-hour report that referred to the many profound problems confronting his regime for which he could provide no solution. It began with the declaration that “the theme of this Congress is holding high the banner of socialism with Chinese characteristics, fully implementing the thought on socialism with Chinese characteristics.”

Amid the constant repetition of the mantra of “socialism with Chinese characteristics,” Xi elaborates on his conception of a national development, of what is in reality Chinese capitalism, excised from the world economy on which it is completely dependent.

Xi’s nationalism is rooted in the Stalinist theory of “socialism in one country.” Leon Trotsky, who defended the perspective of world socialist revolution on which the 1917 Russian Revolution had been based, repeatedly warned that “socialism in one country” was a nationalist utopia.

In 1925, he wrote in his pamphlet Towards Socialism or Capitalism? analysing the future course of the Soviet Union: “Academically, it is understood, one can construct within the boundaries of the USSR an enclosed and internally balanced socialist economy; but the long historic road to this ‘national’ ideal would lead through gigantic economic shifts, social convulsions and crises…”

“The impossibility of constructing a self-sufficient socialist economy in a single country revives the basic contradictions of socialist construction at every new stage on an extended scale and in greater depth. In this sense, the dictatorship of the proletariat in the USSR would inevitably have to suffer destruction if the capitalist regime in the rest of the world would prove to be capable of maintaining itself for another long historical epoch.”

Trotsky’s farsighted prognosis was to prove correct. The Soviet Stalinist bureaucracy dissolved the Soviet Union in 1991 and opened it up to capitalist plunder. The deformed workers’ state that emerged in China after the 1949 Revolution proved even weaker and more vulnerable—opening the door to capitalist market forces and global corporate investment from 1978 onwards.

In his speech, Xi pointed to significant achievements in China, including the astonishing growth of the Chinese economy in the past three decades. However, far from being a purely national economic development, it was the product of the enormous advances made by the 1949 Chinese Revolution—itself the result of international processes that gave rise to the Russian Revolution and the post-World War II revolutionary movements of working class.

The very fact that Xi has to cloak his capitalist policies under the mantle of socialism speaks to the high esteem in which the Chinese Revolution is held among broad layers of the working class in China. The capitalist nature of China today, however, is reduced to an addendum—a minor blemish on otherwise healthy socialism!

In his speech, Xi was able to point to the government’s considerable achievement in suppressing repeated waves of the COVID-19 pandemic and saving millions of lives. Its zero-Covid policy, itself a response to the expectations of working people that their welfare would be safeguarded, demonstrated that the virus could be eliminated, but only if organised internationally.
The very economic rise of China, however, has only compounded the problems confronting the regime that can find no resolution within a national framework. Economic growth has led to an enormous intensification of social tensions, fuelled by growing social polarisation between rich and poor and the relentless exploitation of the working class.

What Trotsky wrote about the Soviet Union, that it required access to the resources and technology of the world, is certainly true of China. Its extraordinary economic growth has been completely bound up with its transformation into a cheap labour platform for global corporations. It was and remains reliant on access to the world market to sell its goods and at the same time requires access to international capital and advanced technology.

However, the international lifelines of the Chinese economy are now under threat. Its very growth has generated enormous tensions with American imperialism, which regards it as the chief threat to its global hegemony. As Xi noted, without ever directly referring to the US, there are “drastic changes in the international landscape, especially external attempts to blackmail, contain, blockade, and exert maximum pressure on China.”

Capitalism with Chinese characteristics now confronts imperialism with American characteristics. The US is marshalling its allies and its economic and military resources to undermine and subjugate China. The Biden administration has maintained the massive trade tariffs on China imposed by Trump and widened its technology bans to include all advanced semi-conductors and the equipment required for their manufacture. The US and its allies, already at war with Russia in Ukraine, are seeking to goad China into taking military action to reunify Taiwan, which is being armed to the teeth.

Xi and the CCP regime are well aware that the US-NATO war in Ukraine is the antechamber for war with China, but they have no progressive answer to US aggression. In response to the US embargoes and military build-up, the CCP is desperately seeking to catch up technologically and militarily. But the logic of this arms race is the rapid descent into war between nuclear-armed powers that spells annihilation for humanity.

The regime itself is one of crisis. In his report, Xi painted a devastating picture of the sclerotic, bureaucratic apparatus that installed him as top leader. It is a party plagued by “a lack of clear understanding and effective action, as well as the slide toward weak, hollow and watered-down party leadership and practice… Despite repeated warnings, pointless formalities, bureaucratism, hedonism and extravagance persisted… Some deep-seated problems and institutions and barriers built by vested interests were becoming more and more apparent… misguided patterns of thinking, such as money worship, hedonism, egocentricity, and historical nihilism were common, and online discourse was rife with disorder. All this had a grave impact on people’s thinking, and the public opinion environment.”

When Xi speaks of corruption, it is always reduced to bad individuals and their intentions, but never to the social order of capitalism. Moreover, it is a regime in which all power remains in the hands of the bureaucracy in a country of 1.4 billion people. In Xi’s “advanced socialist consultive democracy,” the apparatus decides if and when anyone will be consulted over the decisions that impact their lives.

The CCP’s nationalist response to the global crisis of the capitalist system is pursued in one form or another by the US and all the imperialist powers, as well as by the Russian regime. It is a road that leads inexorably to escalating military conflict and a world war involving nuclear-armed powers, as the clash of the national interests of these states cannot be solved through peaceful means.

The very issues raised by Trotsky, against socialism in one country and economic nationalism, retain extraordinary relevance and are the key to understanding the fundamental contradictions confronting the Chinese regime. The only viable alternative to economic nationalism is the perspective of world socialist revolution that animated the 1917 Russian Revolution and the founding of Communist parties around the world, including in China. It is that program that workers in China and internationally need to take up in the fight to end the scourges of disease, poverty and war engendered by capitalism.