

Contradictions in Socialism with Chinese Characteristics

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At the outset it should be clear that a discussion of contradictions in Socialism with Chinese Characteristics is not a pejorative. On the contrary, it defines the struggle for a better life. Every society has its contradictions which are the levers of change. Understanding contradictions helps initiate actions and movements to affect the outcome of class interests. This is as true of China as it is for the USA and the rest of the world, North and South.

There are two distinct categories of conflicts: one, contradictions in nature and two, contradictions in human society.

Humankind versus nature is a constant challenge, always in flux. Technology sets the range of ability to use the elements and forces of nature at will for human survival. A major contradiction arises when destructive class interests or neglect cause ecological imbalances leading to significant changes in a natural phenomenon, i.e. global warming threatening society itself.

The advent of private property opened the way to exploitation of man by man, culminating in capitalism's introduction of socialized production for individual profit, fraught with contradictions, and it remains dominant in the 21st century because two technological revolutions in the 20th century gave it new life and growth.

Because of the contradiction between underdevelopment and the need to integrate rapidly into the world economy on a high technological plane, methods honed by capitalism must be adopted in China to achieve competitive status without sacrificing socially and collectively owned public enterprise. This follows a period in China when technology and management were de-emphasized though collectivity and social concerns were practices within low productivity and living standards. Modernization, therefore, has sharpened this threat.

The ideological campaign launched in February has answered the growing contradiction between adaptation of capitalist economic mechanisms without its class content. Nonetheless, a growing disparity in income, while reflecting a socialist tenet, ("from each according to ability, to each according to contribution"), and financial incentives to stimulate productivity requires special regulation, fiscal policy, taxation, social propaganda and raising the level of the lower income sectors and shaming ostentation. The rate of share in the benefits of modernization in cities versus the countryside is a growing contradiction. Uneven geographic development, particularly in the West and Northwestern ethnically populated regions, lags in national development as a whole. The Chinese government and Party are to be commended as the first nation in history to plan the full integration of backward regions in order to achieve a balanced development. The introduction of high-tech, medium and small enterprises and a service sector in these areas counter the effects of underdevelopment, combined with the development of infrastructure to tie the region to the rest of the country.

We do not look upon the misuse of freedom through economic crime, drugs, prostitution and other degrading elements that came with the opening as contradictions in and of themselves, but as reflections of the diminution of Socialist morality.

A further consequence of opening is a set-back from the equal treatment of men and women under SOE employment and social benefits. The changed social contract within joint ventures and the private sector tends to employ men in better positions than women. This has affected family life and relations between the sexes. The ideological campaign is a welcome antidote.

In foreign relations China faces western corporate domination of trade and investment as reflected in GATT and WTO, which stand in contradiction to independent choices by underdeveloped countries struggling to improve their own standards regardless of internal class formations. China stands as a champion of the underdeveloped. Hence, when China joins the WTO, we may expect an intensification of internal debate as a major feature and a battleground for humane world development within the WTO. China appears willing to accept this role.

While friendly relations through trade and investment are major objectives of both the USA and China, there are fundamental differences in political and economic expectations. Friendship and understanding must be based on reality. China's chosen direction is Socialism.

It allocates its national capital accumulation for public development, giving priority to investments fostering economic integration through development of infrastructure, power generation, public transportation, ecology, land improvement etc, etc, and to the stimulation of a rapid rise in living standards. China will champion the underdeveloped nations against imperialist remnants, support regionalism and the UN, oppose unilateralism, make efforts to maintain stability and avert war, all this, in contradiction to single power hegemony.

President Clinton, on the other hand, clearly defines the underlying political motivation for working with China economically as the encouragement of private entrepreneurial ideology and formation of an "independent middle class that will divert China from Socialism".

China is not blind to this contradiction. It is admirably steadfast in its modernization and opening to the West, confident that stability and peace are in the best interest of both countries.

Ironically, the USA is the undoubted economic leader; but China leads the political direction.

In the light of dealing with contradictions, I would like to share some random considerations.

There is much confusion about the nature of Socialism among Marxists. Socialism is not a fixed economic system established in a cataclysmic qualitative change from capitalism. For Marx, the central concept of historical materialism is that "Communism is something that develops out of capitalism". Socialism is not scholastically invented, but involves a process of economic maturity to an ultimately "fully developed Communism"

Between this beginning and end (Capitalism and Communism), there is incompletely developed Communism with concessions to elements of capitalism, "bourgeois rights". Marx called this the lower of two levels of Communism. The lower level begins in struggle for economic and political democracy within capitalism, emerging victorious after prolonged birth pangs from the capitalist controlled society. A dialectical approach recognizes Socialism as a developmental process shaped by particularities of the class struggle in each nation, arriving to Communism each on its own unique path while taking strength from each other against the common enemy- capitalist reaction. Socialism, therefore, as we know it, is a most complex, most contradiction riddled moment in a society in flux, especially in a developing country with lagging feudal strains seeking modernization in a high-tech world.

For Marxists, the very question of public socialist's accumulation posits a new idea. Capital itself now has more than one character (as distinct from Marx's seminal work); privately accumulated and allocated or socially accumulated and allocated - private capital and socialist capital. This is a major threat to corporate capitalism because it establishes economic independence from the dominant system.

There is a contradiction between interdependence of national economies in world economic integration (the true process of globalization) and the independence of each nation to develop its own economy in the context of its own history and culture.

In the 20th century, accepted Marxian dialectic assumed that every Qualitative change in a serial negation of the negation was a forward movement in history, failing to anticipate that a negation could be retrogressive. The Soviet Union began the historic process of Socialist Transformation in the 20th century, but failed. The Chinese are on a new path to the same goal in the 21st century.

It is significant that the Soviet Union, with all its technological development, was never integrated into world economy, though it traded. There was no dependence of the Western world on Russian production as there is on China's ability to produce and compete and its willingness to face the tensions of economic integration. China's success as in independent economic and cultural entity is the measuring rod of 21st century progress. It is no accident that there are elements in the USA unhappy with stable US-China relations which reflect archaic 20th century Cold War attitudes. We hope that China's efforts to shape the direction of the outcome of manifold contradictions will in the end prove that Socialism with its national characteristics is the road to Communism.

It is heartening to witness the intensity of the ideological campaign within the Communist Party of China and ultimately its interaction with the people. This movement, undertaken out of necessity because of the intensification of contradictions and the ramifications of China's integration into world economy, is a guarantee of independent socialist construction. Zhang Jemin's emphasis on the three diversifications: technology, the economy and Chinese culture, points the way to independent development and success for the Chinese people. It stands as a model of Socialism with national characteristics, taking into account a people's history, culture, economy and development. The three diversifications are a beacon illuminating that road to Socialism in the 21st century.

Postscript:

Underlying much of the frustration in economic unification of China are the impediments to political coordination between the central government and the relatively independence leaders of provinces and local administrations. This is probably the most sensitive contradiction in China. Failure of coordination is evidenced in the handling of allocations for development and social needs transferred by the central government and administered by provincial governments that do not carry out policies as directed by Beijing.

Having had to bail out two provincial international investment trusts in the past two years, Beijing has reason to anticipate provincial disregard for trade agreements with the US and others to pave the way for entry into the World Trade Organization. Local leaders are prone to nepotism and personal power in carrying out government allocations of social funds, distorting directives and retarding the tempo of economic development.

The USA system of delineating federal and states' rights is erroneously held as an example. The relationship between state and federal governments in the USA was codified in the establishment of a strong federal government of the original 13 colonies as their center, subordinating state constitution to that of the federal constitution. States that joined the Union subsequently had to accept the primacy of central government over their own laws.

In China, political unification was established through concessions by the central government to feudal leaders in the provinces which in many instances even retained control of their armed forces. Traditionally, therefore, there emerged a different relationship between the provincial and central governments in China than that of the federal and state governments of the USA.

This political contradiction has necessitated the retraining program now taking place as a central process in the ideological campaign. 2000 local and provincial Party leaders are now undergoing six months of reeducation at a special school built this year for that very purpose. During the next few years, every six months, another 2000 cadre will go through retraining. It is hoped that the results will be a more consistent political and economic unification that will enhance and speed up modernization.

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