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Will the People's Republic of China go the way of the USSR?

So long as socialism does not collapse in China, it will always hold its ground in the world. (Deng Xiaoping)¹

We should think of China's communist regime quite differently from that of the USSR: it has, after all, succeeded where the Soviet Union failed. (Martin Jacques)²

This series has thus far explored in some detail the various factors – economic, political, ideological, military and cultural – that contributed to the collapse of the USSR and the dismantling of socialism in Europe. This final article in the series shifts perspective forwards to the present, asking what future socialism has in the world; what lessons can be drawn from the Soviet collapse in order to ensure the continued existence of the remaining socialist countries? These are synthesised into the topic of whether China – the largest and most prominent of the five countries currently ruled by communist parties – is destined to follow the same painful trajectory as the USSR.

These are questions of no idle academic interest; they are essential components of the biggest political questions of our era: Has capitalism won? Is there any escape for humanity from brutal exploitation, inequality and underdevelopment? Is there a future in which the world's billions can truly exercise their free will, their humanity, liberated not only from hunger but from wage slavery?

The conclusions I draw are that China is following a fundamentally different path to that of the Soviet Union; that it has made a serious and comprehensive study of the Soviet collapse and rigorously applies what it has learnt; that the People's Republic of China (PRC) remains a socialist country and an important friend to the socialist and developing world; that, in spite of the rolling back of the first wave of socialist advance, Marxism remains as relevant as ever; and that, consequently, socialism has a bright future in the world.

Wait... is China even socialist?

If you want to talk about socialism, let us not forget what socialism achieved in China. At one time it was the land of hunger, poverty, disasters. Today there is none of that. Today China can feed, dress, educate, and care for the health of 1.2 billion people. I think China is a socialist country, and Vietnam is a socialist nation as well. And they insist that they have introduced all the necessary reforms in order to motivate national development and to continue seeking the objectives of socialism. There are no fully pure regimes or systems. In Cuba, for instance, we have many forms of private property... Practically all Cubans own their own home and, what is more, we welcome foreign investment. But that does not mean that Cuba has stopped being socialist. (Fidel Castro)³

The first controversy to address is whether, after four decades of market-oriented economic reforms, China can still reasonably be considered socialist. After all, China today has nearly 500 billionaires and is the top destination for foreign direct investment, attracting over \$100 billion each year. There are branches of McDonalds and Starbucks in all major Chinese cities; most people in their daily lives devote more attention to earning a living than to absorbing the teachings of Marx and Engels; and there is startling inequality between the coastal cities and the inland countryside, and between rich and poor more generally. There are stock exchanges in Shanghai and Shenzhen; there is finance capital; there is privately-owned capital. Many leftists – particularly in Europe and North America – look at this situation and say: this has nothing to do with socialism.

On the other hand, the People’s Republic of China has some interesting characteristics that make it rather different from the average capitalist country. Most importantly, although inequality has increased over the past 40 years, the standard of living for ordinary workers and peasants has risen along with it. Wealth under capitalism generally has its counterpart in poverty and exploitation (at home and/or abroad), but in China practically everyone enjoys a far better standard of life than they did. Extreme poverty is on the cusp of being completely eliminated – an extraordinary achievement for a country of China’s size.

Secondly, China is run by a communist party that continues to adhere to Marxism-Leninism. While it no doubt suffers from corruption, and although its ideological purity has been diluted, its history and traditions mean that it derives its legitimacy and support from the masses of workers and peasants. As such, the Chinese state operates primarily in the interests of the working classes, unlike any capitalist state.

Thirdly, as much private capital as there is in China, the economy is still very much dominated and directed by the state. Eric Li, in the John Pilger documentary *The Coming War on China*, explains:

China is a vibrant market economy but it’s not a capitalist country. There’s no way a group of billionaires could control the politburo as billionaires control American policy making. So in China you have a vibrant market economy but capital doesn’t rise above political authority. Capital does not have enshrined rights. In America the interests of capital and capital itself has risen above the American nation. Political authority cannot check the power of capital – and that’s why America is a capitalist country but China’s not.⁴

So while China has introduced elements of capitalism in the 40 years since the start of ‘reform and opening up’, these do not constitute a negation of socialism, any more than they did in the New Democracy period in the 1950s, or under the New Economic Policy in the Soviet Union in the 1920s. The point of the reforms is to lay the ground for a more advanced socialism: *“In order to realise communism, we have to accomplish the tasks set in the socialist stage. They are legion, but the fundamental one is to develop the productive forces so as to demonstrate the superiority of socialism over capitalism and provide the material basis for communism.”⁵*

A workers' state

The class nature of the state is one of the core themes of Marxism. Marx and Engels were the first to conclusively demonstrate that the state is not an impartial body sitting above society and operating for the common good; rather, its responsibility is to represent the interests of a given social class and the system of production relations that benefit it. In the case of capitalism, *“the executive of the modern state is nothing but a committee for managing the common affairs of the whole bourgeoisie”*.⁶

In a socialist society, the state must serve the interests of the working class and its allies; it must protect working class power, defend it from the inevitable attacks from capital, and build a better life for the people. Marxist sociologist Albert Szymanski wrote of the Soviet Union that, *“in a socialist society surrounded by a capitalist world, the necessity to develop industrially, to feed the people, to protect itself and catch up with the leading capitalist countries, imposes a fairly limited set of options on a socialist power elite”*.⁷ This applies equally contemporary China. President Xi Jinping explains in simple terms:

The working class is China’s leading class; it represents China’s advanced productive forces and relations of production; it is our Party’s most steadfast and reliable class foundation; and it is the main force for realising a moderately prosperous society in all respects, and upholding and building socialism with Chinese characteristics... To uphold and build Chinese socialism in the future, we must rely wholeheartedly on the working class, enhance its position as China’s leading class, and give full play to its role as our main force. Relying fully on the working class is not just a slogan or label.⁸

A socialist state run in the interests of the working class and its allies can certainly incorporate market mechanisms, as long as these operate under the guidance of the state and introduce some benefit for working people, and as long as capital is not allowed to become politically dominant. Deng Xiaoping – the political leader most closely associated with China’s economic reform – insisted that markets and socialism were not mutually exclusive: *“It is wrong to assert that there is only a capitalist market economy. Why can’t it be developed under socialism? A market economy is not a synonym for capitalism.”*⁹ *“If markets serve socialism they are socialist; if they serve capitalism they are capitalist.”*¹⁰

The Communist Party of China (CPC) conceptualises the capitalist elements of its economy as being at the service of socialist development. ‘Socialism with Chinese characteristics’ leverages the market to stimulate production, attract investment, encourage technical development, support peaceful coexistence with the capitalist world, and thereby raise the living standards of the Chinese people and pave the road for a higher stage of socialism, built on advanced technology. Market socialism can reasonably be considered a pragmatic and entirely Marxist answer to the exceedingly difficult problem of building socialism in a large, underdeveloped country under constant threat from a hegemonic US imperialism. Sitaram Yechury, General Secretary of the Communist Party of India (Marxist), explains: *“In the final analysis, it boils down to the question of who controls the state or whose class rule it is. Under bourgeois class rule, it is the profit indicators that are the driving force. Under working-class rule, it is the society’s responsibilities that are the priorities.”*¹¹

The Chinese government is extraordinarily popular among the Chinese people¹², the reason being that it focuses precisely on the wellbeing of the masses rather than the profits of

billionaires. *“Meeting people’s needs, ranging from those in education, employment, social security, medical services, housing, environment, to intellectual and cultural life, is the top priority of the government.”*¹³ This is constantly stressed by the leadership. Xi Jinping reiterates:

If we cannot deliver tangible benefits to the people, and create a fairer social environment, and, worse still, if we cause more inequality, then our reform will lose its meaning and cannot be sustained. Even when the ‘cake’ has indeed become bigger, we must cut it fairly... It is the essential requirement of socialism to eradicate poverty, improve the people’s livelihood and achieve common prosperity. We should pay close attention to people in straitened circumstances, and extend care to them with respect and love. We should do our best to solve their problems and keep their needs and sufferings in mind, and bring the solicitude and concern of the Party and the government to the people in the impoverished areas.¹⁴

A government’s priorities can provide a useful indicator as to its ideology and the social forces it represents. The top priorities of the Chinese government in the present era are very much consistent with the demands of the Chinese people, in particular: protecting China’s unity and territorial integrity; improving living standards; clamping down on corruption; protecting the environment; eradicating poverty; maintaining peace and stability; and re-establishing China’s national prestige, all but wiped out in the ‘century of humiliation’ preceding the establishment of the PRC in 1949. The average citizen of the US or Britain would surely be pleased if their government embraced an equivalent set of priorities, meeting the needs of the masses, and yet this doesn’t happen, because of the resistance of the (capitalist) ruling classes of those countries.

The question of environmental conservation is instructive. A capitalist state has very limited freedom of action on this issue, due to the short-termist needs of expanding capital (for example, oil companies wield significant influence within US policy circles). A comprehensive strategy of environmental protection requires a huge investment: a production of use values that may not have corresponding exchange values; that is, production for people, not profit. In China, the government has a clear mandate to lead just such a strategy (even though there is a tension between development and conservation, both of which are essential for the Chinese people).

Over the last few years, China has quickly become the global leader in environmental protection, planning to *“spend at least \$360 billion on clean energy projects and create 13 million new renewable energy jobs by 2020”*.¹⁵ At the same time as investing heavily in alternative energy sources such as solar, wind, and hydropower, it is divesting from coal, cancelling the construction of 104 new coal plants last year.¹⁶ The government has even set up an environmental police force to ensure compliance with green policy.¹⁷ China’s forest coverage has increased from around 18 percent in 2007 to 21.7 percent, with targets of 23 percent by 2020 and 26 percent by 2035.¹⁸ On clean energy, *“the United States is actually playing catch-up to China... China has taken an undisputed leadership”*.¹⁹ On pollution, *“the results suggest that China’s fight against pollution has already laid the foundation for extraordinary gains in life expectancy.”*²⁰ These ambitious plans can be devised and carried out precisely because of the location of political power in the Chinese working class.

Another useful indicator of the class nature of the Chinese state is the government’s vigilance in tackling corruption. Breaking laws and exerting political pressure in the name of expansion of capital is par for the course in capitalist countries, and precious little is done to combat it – including in Britain, where what Seumas Milne terms the “revolving-

door colonisation of public life” has become pervasive.²¹ In China, corrupt billionaires have an extraordinarily high chance of ending up in prison – or executed.²²

Public ownership still dominates, and the state is in charge of the economy

Szymanski writes that *“a social formation can be defined in terms of its dominant relations of production. This need not mean the relations of production in which the largest number of producers are involved, nor the set of productive relations that produce the greatest amount of surplus value. The dominant relations of production, rather, are those relations whose basic logic structures the form and movement of the whole social formation. Thus, for example, the US was a capitalist social formation in 1860 despite there being more slaves, freeholding farmers and artisans than there were industrial workers... It is likewise possible to have a socialist society in which the majority of the producing classes are not working in collectively owned and controlled enterprises, provided that the logic of such enterprises structures the rest of the economy.”*²³

Szymanski’s analysis holds for contemporary China. Although the number of employees of private enterprises has overtaken the number of employees of state- and collectively-owned companies, the basic economic agenda is set by the state. Private production is encouraged by the state only because it contributes to modernisation, technological development and employment. Vince Sherman writes that *“in a socialist market economy, the state is controlled by workers and dominates the private sector. It allows it to flourish only to the degree that it helps in the economic development of the whole country and serves the greater class interests of the working class and peasantry.”*²⁴ While some Marxists may insist that markets can have no place under socialism, it’s difficult to reconcile such a view with Marx’s own view of socialism as a transitional stage on the road to communism. China has proven in reality that it can use market mechanisms in order to more rapidly develop the productive forces and improve the living standards of its people. After all, *“socialism means eliminating poverty. Pauperism is not socialism.”*²⁵

It will come as a surprise to many readers to know that public ownership continues to dominate in China. According to the CPC’s central committee, *“the basic economic system with public ownership at the core, jointly developing with many kinds of ownership systems, is the main pillar of Socialism with Chinese characteristics, and is the basis for the socialist market economy system... We must unswervingly consolidate and develop the public economy, persist in the leading role of public ownership, give full play to the leading role of the state-owned economy, and incessantly increase its vitality, leveraging power and impact.”*²⁶

There has been very little in the way of actual privatisation, in terms of transferring ownership of state enterprises into the hands of private capital; indeed, the state sector is several times bigger than it was in 1978, when the reforms were launched. Rather, private enterprise was allowed to develop alongside the state sector, and has grown at an even faster rate than the state sector (bear in mind that it started from a very low base). John Ross argues that China has grown *“not by destroying its state sector but by altering the relations between the monopoly and non-monopoly sectors – rapidly expanding the latter.”*²⁷ Similarly, Martin Jacques explains that, *“rather than root-and-branch privatisation, the Chinese government has sought to make the numerous state-owned enterprises that remain as efficient and competitive as possible. As a result, the top 150 state-owned firms, far from being lame ducks, have instead become enormously profitable, their aggregate profits reaching \$150 billion in 2007... Unlike in Japan or Korea, where*

privately owned firms overwhelmingly predominate, most of China's best-performing companies are to be found in the state sector."²⁸

It's interesting to note that, for example, the combined revenues of two Chinese state-owned enterprises (China Mobile and Sinopec) were greater than those of China's 500 largest private companies in 2009.²⁹ The state maintains tight control over the most important parts of the economy, often referred to as the 'commanding heights': heavy industry, energy, finance, transport, communications, and foreign trade.³⁰ Finance – which has a key influence over the entire economy – is dominated by the 'big four' state-owned banks.³¹ These banks' primary responsibility is to the Chinese people, not private shareholders.

China's land was never privatised, although collectivisation was mainly rolled back. It remains owned and managed at the village level. Peter Nolan observes: "*Public ownership of land was a powerful countervailing force to the social inequality which inevitably accompanied elements of the market reform.*" De-collectivisation "*was not followed by the establishment of private property rights. Because the Chinese Communist Party wished to prevent the emergence of a landlord class, it did not permit the purchase and sale of farmland... The village community remained the owner, controlling the terms on which land was contracted out and operated by peasant households. It endeavoured to ensure that farm households had equal access to farmland... The massively dominant form was distribution of land contracts on a locally equal per capita basis.*"³²

Even the town and village enterprises (TVEs), which became the standard-bearers of economic reform in the 1980s and which came to employ as many as 135 million people in the mid-1990s, were collectives. Nolan considers that they "*resembled national state-owned enterprises, with the 'state' being the local community, each of which typically owned multiple establishments.*"³³

Ironically, market reforms would almost certainly have failed were they not carried out under the tight control of the government and had they not existed within the context of a planned economy. Indeed this is one reason that China's reforms were so successful and the Soviet/Russian reforms failed. Peter Nolan, who is by no means a cheerleader for centrally-planned economies, writes: "*The comparison of the experience of China and Russia's reforms confirms that, at certain junctures and in certain countries, effective planning is a necessary condition of economic success.*"³⁴ Nolan points out that the Chinese state took the lead in conducting large-scale experiments and analysing the results; protecting domestic industry from the sudden appearance of foreign goods; supporting the growth of the state-owned enterprises to a level where they could become competitive in the global marketplace; investing in social and economic infrastructure (transport, healthcare, education, transport, power generation); and coordinating the different parts of the reform programme. Left to the market and an emerging class of entrepreneurs, none of this would have happened.

Tran Duc Loi, of the Communist Party of Vietnam, gives a very clear explanation of the relationship between state and market in a market socialist economy (note that Vietnam follows a very similar economic model to China): "*The market is managed and regulated by the socialist state in order to utilise the positive sides, minimise the negative ones, and direct market activities into implementation of given comprehensive development goals. Market mechanisms are combined with macro planning by the state... The state economic sector should play the dominating role in key areas essential to macro economy such as energy, finance, telecommunications, aviation, railways, maritime, public transportation,*

etc... The land and natural resources remain within all-people ownership under the state management."³⁵

Tran continues: *"We are aware that in the market economy in particular and in the transition period in general, it is impossible to avoid the gap between the rich and the poor; but the state and the whole society should focus on upholding the poor, supporting the disadvantaged, reducing poverty, increasing access to education, healthcare, social welfare as well as the improving and enhancing living standard of the people accordingly on every step of economic development. Unlike the charity acts and tiny, inadequate redistribution seen under capitalism, these are persistent and obligatory targets to be achieved in the development process towards socialism."*

Such an arrangement is fundamentally different to the organisation of production in a capitalist society.

Opening up has led to development

China's opening up to foreign investment and its integration into global markets is often presented by some leftists as prima facie evidence of its having become a capitalist country. Jenny Clegg points out that China's joining of the World Trade Organisation in 2001 was seen as *"the outcome of a gradual process of capitalist restoration – a final step in sweeping away the last obstacle in the way of China's transition from socialism."*³⁶

Clegg goes on to explain that WTO membership had nothing to do with capitalist restoration, and everything to do with developing China's productive forces, strengthening its geopolitical position, and thereby building a better life for its people. China joined the WTO in order to be able to *"insert itself into the global production chains linking East Asia to the US and other markets, thus making itself indispensable as a production base for the world economy. This would make it far more difficult for the United States to impose a new Cold War isolation."* Further, China's integration in the world economy has allowed it to be a part of *"the unprecedented global technological revolution, offering a short cut for the country to accelerate its industrial transformation and upgrade its economic structure."*

The opportunity to rapidly learn from the advanced capitalist countries' developments in science and technology was the principal reason for 'opening up'. Blockaded by the western countries after the revolution, and then cut off from Soviet support as a result of the Sino-Soviet split, China in 1978 was still relatively backward from a technological point of view, in spite of having made some great advances and having developed a standard of living for its people that was far ahead of other countries at a similar level of development.

Deals with foreign investors were drawn up such that foreign companies trying to expand their capital in China were compelled to share skills and technology, and operate under Chinese regulation.³⁷ *"Foreign investment was regulated to make it compatible with state development planning. Technology transfer and other performance requirements — conditions attached to foreign investment to make sure that the host country gets some benefit from foreign investment, such as the use of locally produced inputs, or the hiring of local managers — were common and are still an issue of contention with the United States today."*³⁸

Much as foreign investors might like to keep their technological secrets, they've had limited choice. *"As China has grown more powerful, the demand for technology transfer has become ever more insistent, with foreign companies, complain though they may, generally conceding."*³⁹ For example, *"in order to gain access to the vast and rapidly growing China market, Boeing was required to assist the main Chinese aircraft manufacturer in Xian to successively establish a capacity to produce spare parts and then manufacture whole sections of aircraft, and finally to assist in the development of a capacity to produce complete aircraft within China. In order to gain the right to invest in car production in China, Ford Motor Company was required to first invest for several years in upgrading the technical capacity of the Chinese automobile spare parts industry through a sequence of joint ventures."*⁴⁰

After four decades of opening up, China is now one of the world's leading innovators in science and technology; it has caught up, through strategically and methodically integrating itself into a globalised value chain, whilst at all times driving a hard bargain, learning relentlessly, and keeping its focus on the needs of its population.

Commitment to Marxism

Only socialism can save China, and only Chinese socialism can lead our country to development – a fact that has been fully proved through the long-term practice of the Party and the state. (Xi Jinping)⁴¹

Through four decades of reform and opening up, the CPC has retained its commitment to Marxism. Deng Xiaoping was clear from the very beginning of the reform process that China *"must keep to the socialist road. Some people are now openly saying that socialism is inferior to capitalism. We must demolish this contention... Deviate from socialism and China will inevitably revert to semi-feudalism and semi-colonialism. The overwhelming majority of the Chinese people will never allow such a reverse... Although it is a fact that socialist China lags behind the developed capitalist countries in its economy, technology and culture, this is not due to the socialist system but basically to China's historical development before liberation; it is the result of imperialism and feudalism. The socialist revolution has greatly narrowed the gap in economic development between China and the advanced capitalist countries."*⁴²

This is echoed today by the current leadership. As Xi Jinping puts it, *"socialism with Chinese characteristics is socialism and nothing else. The basic principles of scientific socialism must not be abandoned; otherwise it is not socialism."*⁴³

In no country in the world is Marxism studied as widely as it is in China. President Xi Jinping has a doctorate in Marxist philosophy. Marxism is part of the core curriculum at every level of the education system. Ninety million members of the Communist Party of China are required to engage in Marxist study. *"The whole party should remember: what we are building is socialism with Chinese characteristics, not some other ism"*, says Xi.⁴⁴ Indeed, the Communist Party of China considers itself *"a loyal inheritor of the spirit of The Communist Manifesto"*.⁴⁵ Marx is considered *"the greatest thinker of modern times"*.⁴⁶

Those leftists that don't support contemporary Chinese socialism may scoff at these pronouncements from the Chinese leadership, but the international capitalist class certainly takes them seriously. For example, a recent article in the Washington Times complained bitterly that *"Marxism is highly relevant to everyday life in the world's most populous country, a mandatory curricular course taught at every level of the education system from*

kindergarten to graduate school. Tens of millions of devoted ‘political teachers’ in the schools, unknown millions of ‘ideological workers’ at every level of the society, and the ubiquitous ‘political commissars’ in the People’s Liberation Army — they all collectively serve as the official clergy of Marxism.”⁴⁷

It’s difficult to understand why China’s political leadership would go to such lengths to promote Marxism if they are intent on doing away with it. A far more likely explanation is that they’re genuine in their devotion to socialism and their resolve to strengthen it. Naysayers and purists will highlight flaws and inconsistencies, but this is nothing new or interesting. *“Actually existing socialism will always fall short of the socialist ideal because it is precisely that ideal implemented within the confines of reality.”⁴⁸*

USSR got the economy wrong. China is not doing that.

At several points in the postwar period, Soviet leaders identified problems in the USSR’s economy and proposed changes; various reforms were attempted, but none of them succeeded in breaking the trend towards stagnation and the widening productivity gap with the major capitalist economies. The Chinese leadership after Mao also identified problems (many of them decidedly similar to those identified by the Soviets) and also implemented reforms; these reforms were resoundingly successful. If “the proof of the pudding is in the eating”, then it must be concluded that the Chinese made much better pudding, since the trajectory of the Chinese economy has been one of rapid growth, ever-improving living standards, and a narrowing of the gap with the advanced capitalist countries.

Was reform necessary?

One important question is whether reform was necessary in either case. It would be easy enough to extrapolate from the Soviet experience and conclude that any move away from a heavily centralised ‘command economy’ is a disaster, since the Soviet economy scored its greatest successes before Khrushchev, Liberman and others started tinkering with market reforms.⁴⁹

What’s the direction of causality? Did stagnation provoke reforms, or did reforms create stagnation? Keeran and Kenny, whose book *Socialism Betrayed* is essential reading on the Soviet collapse, take the latter position: *“Even cautious proponents of markets within the context of a dominant central plan, have to explain the following awkward facts. In the final three and a half decades of the USSR’s existence, the more market relations and other reforms were introduced — officially and legally in several reform waves (Khrushchev, Kosygin and Gorbachev), and quietly, steadily, and often illegally through the spreading second economy — the more the long-term economic growth rates came down... A key lesson of the Soviet collapse is that market relations must be held to a minimum.”⁵⁰*

However, vigorous *opponents* of markets within the context of a dominant central plan have to explain the ‘awkward fact’ that Chinese market socialism has not been a failure, has not led to stagnation, has not led to the fall of socialism, has not weakened the rule of the communist party, and has not weakened Chinese national unity. John Ross points out that, in the 40 years from 1978, China’s economy expanded at an average of 9.5% per year, resulting in a 35-fold increase.⁵¹ So while Soviet reform coincided with stagnation, Chinese reform coincided with unprecedented growth. Clearly we cannot simply conclude that market reforms are inherently bad and weaken socialism.

The Italian Marxist philosopher and historian Domenico Losurdo notes that, in the 1930s and 40s, the heavily centralised Soviet economy was working very well: “*the rapid development of modern industry was interwoven with the construction of a welfare state that guaranteed the economic and social rights of citizens in a way that was unprecedented.*”⁵² However, after the period of frenetic building of socialism, followed by the war, followed by the reconstruction, came “*the transition from great historical crisis to a more ‘normal’ period*” in which “*the masses’ enthusiasm and commitment to production and work weakened and then disappeared.*” In its final few years, “*the Soviet Union was characterised by massive absenteeism and disengagement in the workplace: not only did production development stagnate, but there was no longer any application of the principle that Marx said drove socialism — remuneration according to the quantity and quality of work delivered.*”

Losurdo contends that China in the late 1970s faced very similar problems: “*the China that arose from the Cultural Revolution resembled the Soviet Union to an extraordinary degree in its last years of existence: the socialist principle of compensation based on the amount and quality of work delivered was substantially liquidated, and disaffection, disengagement, absenteeism and anarchy reigned in the workplace.*” It is beyond question that by 1978, almost three decades after the founding of the People’s Republic, China was still a long way from being an advanced country, and although it had achieved extraordinary progress in terms of life expectancy, education and mass empowerment, it “*still faced tremendous challenges, with a GDP per capita figure lower than that of India and 542 million people living on less than one dollar per day.*”⁵³ Hundreds of millions of people in the villages still faced food insecurity and poor housing conditions. **“If we don’t do everything possible to increase production, how can we expand the economy? How can we demonstrate the superiority of socialism and communism? We have been making revolution for several decades and have been building socialism for more than three. Nevertheless, by 1978 the average monthly salary for our workers was still only 45 yuan, and most of our rural areas were still mired in poverty. Can this be called the superiority of socialism?”*⁵⁴

Productivity levels were low, and the use of advanced technology was decades behind the US (and, increasingly, the ‘Asian tigers’ – smaller states that were actively supported by the US in the development of hi-tech capitalism as a means of averting any possibility of socialist revolution). Peter Nolan describes some of the problems on the ground: “*The system produced little interest among producers in the usefulness of their output. The pervasive atmosphere of shortage meant that there existed a seller’s market for a large proportion of output. Specification of output targets in simple physical terms led to a pervasive tendency towards the narrowing of product range towards those products which were easiest to produce. Thus, the mix of consumer goods notoriously failed to respond to consumer signals and there was a high rate o breakdowns of consumer durables.*”⁵⁵ These problems closely resemble the problems of the Soviet economy in the 1970s as described earlier in the series.⁵⁶ Indeed, a pattern can perhaps be discerned from the experiences of ‘actually existing socialism’ thus far: while a heavily voluntaristic approach to production can be very effective for a period of time, it suffers from diminishing returns and can’t be sustained forever.

Being a poor country with a tremendous responsibility to meet the immediate needs of its huge population, China lacked the resources to invest heavily in research and development, and the resulting low productivity meant that it couldn’t guarantee an adequate standard of living to its people. Cut off from the global marketplace, it wasn’t able to quickly learn from others or benefit from an ever-more globalised division of labour. The post-Mao leadership came to the conclusion that the most important step to solidify socialism and to

quickly improve the living standards of the Chinese population was to develop the productive forces by any means necessary; hence reform and opening up.

China's economic reforms have been extraordinarily successful

The vastly different results of the Russian and Chinese reforms are demonstrative of the critical importance of choosing the right reform strategies and paths. (Hu Angang)*⁵⁷

As has been discussed previously, Soviet attempts at economic reform didn't meet with any great success; the tentative reforms during the Khrushchev and Brezhnev periods had minimal impact, and the Gorbachev-era reforms were basically disastrous. From the mid-1970s onwards, the Soviet economy entered what is widely considered to be a period of stagnation, just as the capitalist countries were starting to leverage developments in technology to achieve major improvements in productivity. Jude Woodward notes that, *"from 20 per cent of the size of the US economy in 1944, the Soviet economy peaked at 44 per cent that of the US by 1970 (\$1,352 billion to \$3,082 billion) but had fallen back to 36 per cent of the US by 1989 (\$2,037 billion to \$5,704 billion). It never came near challenging the economic weight of the US."*⁵⁸

In China, by contrast, *"economic growth rates were transformed from the respectable 4–5 per cent of the Mao period to an annual growth rate of 9.5 per cent between 1978 and 1992."*⁵⁹ Comparing China's GDP with that of India, Martin Jacques finds that in 1950 – a year after the founding of the PRC and three years after Indian independence – *"the per capita income of India was around 40 per cent greater than that of China; by 1978 they were roughly on a par. By 1999, China's was not far short of twice that of India's and by 2009 it was over three and a half times as great."* Another decade or so later and China's per capita GDP is around 4.5 times that of India. In 1978, China's GDP was around a quarter that of the USSR; by the time the Soviet Union collapsed in 1991, China's GDP was around half that of the USSR. Today, China's GDP is nine times greater than Russia's.

Since 1978, China's economy has grown more than any other country; it also tops the list for per capita GDP growth, which has risen from \$156 in 1978 to \$8,123 at the time of writing (2018).⁶⁰ This puts it firmly in the 'middle income' bracket. In the same period, according to the Center for Economic and Policy Research, approximately 94 percent of the reduction of extreme poverty globally took place in China.⁶¹

China in 1978 was still a poor country, with half the population – almost half a billion people – subsisting below the dollar-a-day poverty line. Today less than two percent of the Chinese population lives below the 'absolute poverty' line (currently defined by the World Bank as \$1.90 per day).

Jacques sums up: *"Given its scale and speed, China's economic transformation is surely the most extraordinary in human history, notwithstanding the sheer novelty of Britain's as the first... Economic growth is no longer confined to a few 'islands' but has spread out in waves to most provinces of China, albeit in sharply varying degrees... China's GDP represented 4.9 per cent of the world's total in 1978, but is likely to rise to 18–20 per cent by 2020."*

The underground 'second economy' that did so much to undermine the Soviet system has not been an issue in China, because the market is legal and heavily regulated. Discussing the parallel process in Vietnam, Vince Sherman writes that the gradual implementation of market reforms allowed the Communist Party to ensure the dominance of the socialist state

over the private sector. *“Additionally, it forced ‘second economy’ enterprises to emerge from the black market and placed them under control of the state.”*⁶²

While the capitalist world is still struggling to come to terms with the aftershocks of the 2008 financial crisis, China and Vietnam have forged ahead. *“In just four years, 2007 to 2011, China’s industrial production jumped from 62 percent of US levels to 120 percent, according to UN accounting.”*⁶³

The whole country has benefitted

Although inequality has emerged as a serious problem, China’s growth hasn’t exclusively benefitted a handful of rich people. Nearly all Chinese people are doing substantially better than they were 40 years ago, in terms of access to sufficient and good quality food, decent housing, adequate clothing, access to services, ability to travel, and amenities (washing machines, televisions, etc). Along with the vastly increased number of jobs in manufacturing and the service sector, the state is spending ever-increasing amounts on social welfare. The proportion of fiscal revenue in GDP rose from 10.7 percent in 1995 to 20.4 percent in 2008⁶⁴, and the lion’s share of this revenue is put to work for poverty reduction, public services and social security. The influential economist Hu Angang writes that *“China’s modernisation is absolutely not designed to benefit just a portion of its people, cities, and regions. Rather, China’s modernisation aims to provide for the common prosperity of all people, across urban and rural areas and reaching both the coastal region and the vast interior hinterland. Such egalitarianism is the most significant difference between China’s socialist modernisation and the capitalist modernisation program of the world’s already developed countries.”*

The number of people lifted out of poverty during the reform process numbers in the hundreds of millions. The Chinese leadership has set a goal to fully eradicate extreme poverty by 2020. Ajit Singh notes: *“From 1978-2015, real income for the bottom half of earners grew 401 percent, compared to falling by one percent in the US. Chinese wage growth is also soaring, with hourly manufacturing wages rising 12 percent per year since 2001.”*⁶⁵ On top of this, government spending on education and healthcare is expanding rapidly.

Child malnutrition is becoming a thing of the past. According to the World Food Programme, between 1990 and 2010, the number of underweight children under the age of five fell by 74 percent and rates of stunting dropped by 70 percent. *“Better nutrition has significantly improved the health and quality of life of Chinese children... China alone accounts for almost two thirds of the total reduction in the number of undernourished people in developing regions since 1990.”*⁶⁶ This story can usefully be compared with India, where child malnutrition is still, tragically, endemic.⁶⁷

In the early years of the People’s Republic, a decision was taken to emphasise primary and secondary education in order to ensure every person received at least a few years of schooling. This was certainly the best use of resources at the time, but one result was that China had too few highly qualified young people. In recent decades, the government has expanded its focus to include college and university, and accordingly the rate of admission to higher education institutions is now 43 percent of high school graduates. *“A record-breaking 8m students will graduate from Chinese universities in 2017. This figure is nearly ten times higher than it was in 1997 and is more than double the number of students who will graduate this year in the US.”*⁶⁸ The rate of admission to pre-school kindergarten is also extremely high for a developing country, standing at 77 percent.⁶⁹

The Human Development Index (HDI) is a useful metric that has become popular in recent years, compositing life expectancy, educational level and per capita income. In HDI terms, China has gone from 0.407 on the scale in 1980 to 0.727 today (for calibration purposes, Norway is at the top of the charts with 0.949 and the Central African Republic at the bottom with 0.352). China's increase in HDI makes it the only country that has leap-frogged the 'medium' HDI rank, moving from the 'low HDI' group in 1990 to the 'high HDI' group today (the requirement for the 'very high HDI' group is 0.800 – it seems likely China will get there within a few years).

Income inequality rose consistently from the start of the reform process – an expected but unfortunate side effect of allowing private enterprise and foreign investment. It rose to startling levels in the 2000s, but numerous studies show that it's now starting to come back down, as jobs and investment spread inland.⁷⁰ Deng's controversial suggestion that "some people in rural areas and cities should be allowed to get rich before others"⁷¹ has worked out well in practice. The coastal and riparian cities, particularly Shanghai, Shenzhen and Guangzhou, raced ahead, attracting vast investment and expanding rapidly. Now, however, "*companies are moving production to the interior provinces and, in their place, Guangdong is seeking to move up the value ladder, develop its service industries and shift into new areas of production that rely on design and technology rather than the perspiration of its people and the migrant workers from faraway provinces.*"⁷² In the meantime, the vastly increased tax revenue resulting from those that were "allowed to get rich before others" has been spent according to the formula agreed at the start, that is: "*for the benefit of the people, a small portion being used to strengthen national defence and the rest to develop the economy, education and science and to raise the people's living standards and cultural level.*"⁷³ In this sense, China is one of the few places in the world where the concept of wealth 'trickling down' is not sheer fantasy.

Losurdo points out that inequality must be considered both within a given society and at a world scale – "*the inequality existing on the global scale between the most and least developed countries*". Looked at from a global perspective, China has made an extraordinary contribution to reducing inequality, given that the living standard of its people is starting to approach that of Western Europe. Losurdo also deploys a powerful metaphor for better understanding inequality within China itself:

There are two trains running from a station called 'underdevelopment' and heading towards a station called 'development.' One of the two trains is very fast, while the other train is slower: consequently, the distance between the two increases progressively. This discrepancy can be explained easily if you keep in mind the size of continental China and its tormented history: the coastal regions, which already had infrastructure (albeit elementary), enjoying easier access and the possibility of trade with developed areas, are in a better situation than the traditionally less developed regions that are landlocked and have as neighbours countries and areas marked by economic stagnation. It is clear that the distance between the two trains travelling at different speeds widens, but we should not lose sight of three fundamental points: in the first place, the direction (the development) is the same; second, today some interior regions are seeing their income grow faster than that of the coastal regions; third, because of the impressive urbanisation process (which pushes the population to the most developed regions and areas), the faster train tends to carry more passengers. Not surprisingly, if we take China as a whole, we see a steady and sizeable growth of the middle class, as well as a wider diffusion of social protection and features of the welfare state.⁷⁴

A global leader in science and technology

The USSR never caught up with the major imperialist powers in terms of technology and productivity, for a number of reasons discussed earlier in this series. From the late 1970s onwards, the technology gap between the Soviet Union and the US grew sharply. In China, however, productivity and innovation levels are catching up with the most advanced capitalist countries.

While China focused on ‘technology transfer’ and learning from the US and Japan in the first decades of reform, it has in recent years it has been “steadily climbing the technological ladder.” Martin Jacques wrote a few years ago that *“it is an illusion to think that China will be trapped indefinitely in the foothills of technology. In time it will become a formidable technological power.”*⁷⁵ This process is taking place before our eyes. Veteran science writer Philip Ball notes that *“the patronising old idea that China ... can imitate but not innovate is certainly false now. In several scientific fields, China is starting to set the pace for others to follow. On my tour of Chinese labs in 1992, only those I saw at the flagship Peking University looked comparable to what you might find at a good university in the west. Today the resources available to China’s top scientists are enviable to many of their western counterparts.”*⁷⁶

Soviet infrastructure was starting to crumble by the 1980s, while modern Chinese infrastructure is world-class. For example, although China didn’t have high-speed rail until 1999, it now has over 25,000 km, accounting for around two-thirds of the global total.⁷⁷

The number of Chinese internet users is around three times the number of US internet users (per capita it is slightly behind the US, but this is still very impressive given that “the relative gap in the number of internet users between China and the US in 1993 was a factor of 3,000”⁷⁸).

Why has Chinese economic reform succeeded when the Soviet reform failed?

Superficially, the reform strategy pursued by China from 1978 appears similar to Gorbachev’s perestroika; however, there are profound differences between the Chinese and Soviet approaches that help to explain the tremendous success of one and the outright failure of the other.⁷⁹

Veteran Russian communist Gennady Zyuganov points out that a successful economic reform demands *“a well-developed programme and precisely defined goals; a team of vigorous and highly intellectual reformers; a strong and effective system for controlling political phenomena; thoroughly developed and carefully considered methods of instituting the reforms; the mobilisation of the mass media to explain the meaning, goals, and consequences of the reforms for the state as a whole and for the individual person in particular for the purpose of involving as much of the population as possible in the reform process; and the preservation and development of the structures, relations, functions, methods, and lifestyles that have earned the approval of the people.”*⁸⁰

All these elements were put in place in China, and were notably absent in Gorbachev’s Soviet Union. Gorbachev didn’t select people on the basis of competence or experience but on the basis of their uncritical support for his agenda. He didn’t mobilise the existing, proven state structures, but sought to weaken them. The media wasn’t used to unite the people behind a programme of development but to denigrate the Communist Party. The economic programme was incoherent and subject to sudden changes in direction. The

masses were not invited to participate in any other way than doing what they were told. What followed was *“a parade of political arrogance, demagoguery, and dilettantism, which gradually overwhelmed and paralysed the country.”*⁸¹

China’s approach was extremely cautious and pragmatic, *“based on a step-by-step, piecemeal and experimental approach. If a reform worked it was extended to new areas; if it failed then it was abandoned.”*⁸² All reforms had to be tested in practice, and all results had to be analysed and learned from. Chen Yun, the lead economist of the Deng era, stated in 1980 that *“the steps must be steady, because we shall encounter many complicated problems. So do not rush... We should proceed with experiments, review our experience from time to time, and correct mistakes whenever we discover them, so that minor mistakes will not grow into major ones.”*⁸³ This is exactly how things proceeded.

Gorbachev’s reforms were implemented in a heavy-handed, top-down way, without consulting the people or attempting to collate feedback. Meanwhile in China, many key ideas *“came from people at the grass roots. We processed them and raised them to the level of guidelines for the whole country. Practice is the sole criterion for testing truth.”*⁸⁴ Reform in China was patient, incremental and results-oriented, whereas *“Gorbachev made the fatal mistake of trying to do too much, too fast.”*⁸⁵

China’s leaders had confidence in their own home-grown ideas and paid precious little attention to the young stars of western economics, who at the time were near unanimous in their adherence to the ‘new orthodoxy’ of neoliberalism. There was certainly no hollowing out of the state, which continued to be the biggest player in both the strategic path and the day-to-day running of the economy. This can be contrasted with the Soviet Union, where Gorbachev’s team economists had fallen under the neoliberal spell and come to the conclusion that planning and state guidance were harmful. Marxist economist Michael Roberts observes that Gorbachev’s sudden dismantling of the planning agencies *“provoked chronic excess domestic demand and the need for foreign imports”*, leading the Soviet economy to implode. Meanwhile, the opposite was happening in China, where *“the relaxation of restrictions on private capital development was combined with state control and planned and state-led heavy investment.”*⁸⁶

Soviet economists transitioned from central-planning dogma to neoliberal dogma, failing to come up with creative approaches that accurately took account of existing strengths and weaknesses. The Chinese approach was that *“there should be no blind obedience to superiors or books; there should be obedience to truth and facts only; there should be exchange, comparison, and repetition.”*⁸⁷

Gorbachev’s team were never able to reach consensus for their plans; they merely bulldozed or sidelined those in the Communist Party who didn’t agree with them. As a result, there was never any real unity of purpose around perestroika. In China, the gradual, results-oriented approach allowed the top leadership to win round the Central Committee, the regional leaders and the party rank and file.

China is not weakening Communist Party rule or attacking its own history

If China allowed bourgeois liberalisation, there would inevitably be turmoil. We would accomplish nothing, and our principles, policies, line and development strategy would all be doomed to failure.⁸⁸

The fifth article in this series includes a lengthy description of how the Soviet top leadership in the Gorbachev era attacked the Communist Party, questioned its legitimacy,

re-wrote its history and sowed disillusion among the Soviet people. The attack on the party was putatively carried out in the name of enhancing democracy, yet the results turned out to be profoundly anti-democratic. The Communist Party had been the major vehicle for promoting the needs and ideas of the working class; once it was sidelined, the workers had no obvious means of organising in defence of their interests. This opened up a space for a pro-capitalist minority to dominate political power and, ultimately, break up the country and dismantle socialism.

The Chinese leadership understood that the People's Republic of China could not survive without the uncontested leadership of the Communist Party. Deng *“believed that the most urgent task was to improve people's livelihood. In his view, all other reforms, including political ones, had to serve this primary goal. He believed that copying the Western model and placing political reform on the top of the agenda, like the Soviets were doing at the time, was utterly foolish. In fact, that was exactly Deng's comment on Gorbachev after their meeting: ‘This man may look smart but in fact is stupid.’”*⁸⁹

In a changing economic environment, where private capital was being accumulated and a new class of entrepreneurs emerging, continued Communist Party rule was essential to guarantee that development benefitted the masses and that the new owners of capital didn't become politically dominant. Moreover, political stability was an absolute requirement for successful economic reform.

In practically every important speech on China's development path from 1978 until his death in 1997, Deng insisted on what he termed the Four Cardinal Principles: 1) Defend the socialist path; 2) Maintain the dictatorship of the proletariat (working class rule); 3) Maintain the leadership of the party; and 4) Adhere to Marxism-Leninism and Mao Zedong Thought. He didn't mince his words when it came to the importance of a workers' state: *“What kind of democracy do the Chinese people need today? It can only be socialist democracy, people's democracy, and not bourgeois democracy, individualist democracy... Personal interests must be subordinated to collective ones, the interests of the part to those of the whole, and immediate to long-term interests. In other words, limited interests must be subordinated to overall interests, and minor interests to major ones... It is still necessary to exercise dictatorship over all these anti-socialist elements... The fact of the matter is that socialism cannot be defended or built up without the dictatorship of the proletariat.”*⁹⁰

A few years later, when some people started to call for an end to Communist Party rule and for China to move towards a western-style parliamentary system, Deng reiterated: *“Our modernisation drive and the open policy must exclude bourgeois liberalisation... Our goal is to create a stable political environment; in an environment of political unrest, it would be impossible for us to proceed with socialist construction or to accomplish anything. Our major task is to build up the country, and less important things should be subordinated to it... In China, bourgeois liberalisation means taking the capitalist road and leads to disunity.”*⁹¹ These words were spoken in 1985, a couple of months after Mikhail Gorbachev became General Secretary of the Communist Party of the Soviet Union. If only Gorbachev had been more influenced by China's approach.

China has not followed the Soviet example of attacking its own history. Although the Chinese leadership made serious criticisms of certain of Mao's policies (in particular the Great Leap Forward and the Cultural Revolution)⁹², it has never come anywhere close to repudiating Mao and undermining the basic ideological foundations of Chinese socialism. Quoting Deng again: *“Not only did Mao Zedong Thought lead us to victory in the revolution in the past; it is – and will continue to be – a treasured possession of the*

Chinese Communist Party and of our country. That is why we will forever keep Chairman Mao's portrait on Tiananmen Gate as a symbol of our country, and we will always remember him as a founder of our Party and state... We will not do to Chairman Mao what Khrushchev did to Stalin."⁹³

Khrushchev and Gorbachev both thought that tarnishing the Soviet Communist Party's historical record would help to rally forces for constructing a renewed socialism; they were wrong. Xi Jinping on the other hand has been at pains to highlight the continuity between the Mao era and the post-Mao era: *"The two phases – at once related to and distinct from each other – are both pragmatic explorations in building socialism conducted by the people under the leadership of the Party. Although the two historical phases are very different in their guiding thoughts, principles, policies, and practical work, they are by no means separated from or opposed to each other."*⁹⁴ This is no marginal position but a view held more-or-less unanimously by the Central Committee of the CPC.

Xi points out elsewhere that *"one important reason for the disintegration of the Soviet Union and the collapse of the CPSU is the complete denial of the history of the Soviet Union, and the history of the CPSU, the denial of Lenin and other leading personalities, and historical nihilism confused the people's thoughts."*⁹⁵ Although there is much more press freedom in contemporary China than there ever was in the USSR, and while it's not unusual for individual Chinese analysts to promote "historical nihilism", such ideas have gained very limited traction, unlike in the Soviet Union where, by the late 1980s, the constant stream of ridiculous Cold War anticommunist propaganda – much of it emanating from state-owned media – had a serious impact on popular confidence.

The Communist Party of China is not suffering a crisis of legitimacy; it remains extremely popular. Countless surveys show that the vast majority of Chinese people are satisfied overall with the performance of the government and feel that life is improving year on year.⁹⁶ Martin Jacques writes that, according to a 2009 Harvard survey, *"no less than 95.9 per cent of Chinese were either relatively or extremely satisfied with the central government... By any criteria, this indicates an extraordinarily high level of satisfaction... Contrary to Western conventional wisdom, the Chinese state enjoys greater legitimacy than any Western state, even though Western-style democracy is entirely absent... The rule of the Communist Party is no longer in doubt: it enjoys the prestige that one would expect given the transformation that it has presided over."*⁹⁷

The Chinese government has shown itself to be highly effective at tackling the issues people care about, from poverty alleviation to protecting national unity, from tackling corruption to creating conditions for a constantly improving quality of life. The CPSU in the 1980s was becoming more fragile and less popular; the CPC continues to get stronger, more effective, and more popular.

China has managed to avoid a superpower 'Cold War'

The last thing China wants is war. China is very poor and wants to develop; it can't do that without a peaceful environment. Since we want a peaceful environment, we must cooperate with all of the world's forces for peace.⁹⁸

The necessity of maintaining peaceful relations with the imperialist world has been a preoccupation of socialist states from 1917 onwards. All socialist leaderships – those of Lenin, Stalin, Mao, Ho Chi Minh, Kim Il Sung and Fidel Castro included – have pursued 'peaceful coexistence' where it was possible (although since it "takes two to tango", peaceful coexistence has often been largely illusive).

The importance of international peace for China's development was implicitly realised by Mao at the start of the 1970s, when Henry Kissinger's visit to Beijing opened the way for the PRC finally taking its seat at the United Nations. Continuing US-China communications throughout the 1970s led to the establishment of formal diplomatic relations between China and the US in 1979. Ever since, China has done a remarkable job of 'playing nice' with the capitalist world whilst sticking to its own development path and refusing to succumb to the temptations of western-style liberalism.

Peaceful coexistence has of course meant some painful compromises, with China essentially relinquishing any claim to leadership of the world revolution. The Soviet Union took on a heavy responsibility as the global centre of progressive forces, giving extensive practical solidarity to socialist states, national liberation movements and progressive governments around the world – including vast economic support to the People's Republic of China between 1949 and 1959; military and economic support to Cuba, Vietnam, Afghanistan, Angola, Nicaragua, Korea, Ethiopia and elsewhere; training, aid and weapons to the ANC in South Africa, Frelimo in Mozambique, Swapo in South West Africa (now Namibia), PAIGC in Guinea Bissau, and others.

In addition to direct aid, the Soviet role as the protector of the progressive world – and its position as one of two 'superpowers' – meant that it was forced to devote an extraordinary portion of its resources to military development. The figures vary wildly, but Alexander Pantsov estimates that, "*at the start of Gorbachev's perestroika, in 1985, the Soviets were spending 40 percent of their budget on defence.*"⁹⁹ Indeed Pantsov concludes that "*the economy of the USSR collapsed under the burden of military expenditures*".

Jacques characterises the Soviet Union as having "*opted for autarchy and isolation*", in comparison to post-1978 China, which "*sought integration and interdependence*". He further claims that the USSR "*embarked on military confrontation and a zero-sum relationship with the United States*" whereas "*China pursued rapprochement and cooperation in an effort to create the most favourable conditions for its economic growth.*" The characterisation of Soviet policy is unfair. The Soviet leadership didn't *opt* for isolation, but it was subjected to isolation by an imperialist world order that was determined to undermine it. It didn't "embark on military confrontation", but it dutifully came to the defence of many of its allies that were threatened by the imperialist powers. These allies were not, as they are sometimes caricatured, mere pawns in a superpower rivalry between the US and the USSR; they were popular movements for socialism and/or national independence.

Nonetheless, the USSR's economic isolation and disproportionate military expenditure caused it tremendous problems and contributed to its downfall. With a relatively safe international environment, China has been able to reduce its military spending from around 7 percent of GDP in 1978 to just under 2 percent currently. It has not had to face a 'full-court press' and has avoided getting caught up in an arms race.¹⁰⁰

The relatively peaceful international context has allowed the Chinese state to systematically pursue economic development, and the latter has had a reciprocal effect on China's safety, since it has made China a key player in global economic affairs. Jude Woodward notes that China's rise has forced many countries to pursue good relations with it, even where they dislike its ideology. "*Rather developed neighbours such as South Korea or Taiwan are deeply economically engaged with China and do not want this derailed... Even America's European allies, notably Germany, France and Britain, were prepared to ignore US opinion on China when they signed up to the AIIB [Asian Infrastructure Investment Bank].*"¹⁰¹

Although China's global strategy has meant stepping back from an explicit leadership role in the world revolution, it has nonetheless been able to provide crucial support for progressive states. The highly-respected economist Ha-joon Chang points out that Chinese growth has had a profoundly positive impact in Africa and Latin America. *"Being relatively poorly endowed with natural resources and growing at breakneck speed, China started sucking in food, minerals and fuel from the rest of the world, and the effect of its growing weight was felt more and more strongly. This gave a boost to the raw-material exporters of Africa and Latin America, finally allowing these economies to make up some of the ground they had lost in the 1980s and the 1990s. China also became a major lender and investor in some African countries, giving the latter some leverage in negotiating with the Bretton Woods institutions and the traditional aid donors, such as the US and the European countries."*¹⁰²

Venezuelan revolutionary leader Hugo Chávez made a point of establishing strong relations with China, calling Chinese socialism *"an example for Western leaders and governments that claim capitalism is the only alternative."*¹⁰³ Billions of dollars of oil-backed low-interest Chinese loans have helped to underpin the impressive advances in human development in Venezuela over the last two decades. China has given similar support to Cuba, Bolivia, Nepal, Mozambique, Zimbabwe and South Africa, among others.

Gorbachev was also keen to create a more peaceful international environment, to reduce tensions and cut down on military expenditure; however, unlike the Chinese, he couldn't find a way to do so that didn't involve outright capitulation to imperialism. With a stagnant economy, rising internal unrest and very few friends at home, he needed both cash and credibility from his new-found partners in the west: Margaret Thatcher, Ronald Reagan, George HW Bush and Helmut Kohl. In order to maintain their friendship, he withdrew Soviet support for many of its allies, gave unilateral commitments on disarmament without getting anything in return, and ultimately gave a free hand to pro-capitalist and nationalist-separatist elements within the USSR.

Conclusions

Socialism will definitively remain the only real hope of peace and survival of our species. This is precisely what the Communist Party and the people of the People's Republic of China have irrefutably demonstrated. They demonstrated at the same time, as Cuba and other brotherly countries have shown, that each people must adapt their strategy and revolutionary objectives to the concrete conditions of their own country and that there are not two absolutely equal socialist revolutionary processes. From each of them, you can take the best experiences and learn from each of their most serious mistakes. (Fidel Castro)¹⁰⁴

It seems clear that China is not following the trajectory that the USSR did. Its reform process has been successful; the quality of life of its people continues to improve; it is emerging as a global leader in technical innovation and environmental preservation; nationalist separatism is being effectively contained; and the Communist Party of China remains popular and dominant. In short, China has continued to develop forms of socialism that are appropriate to its changing conditions.

Chinese economists often talk of the "latecomers' advantage" in the world of technology, whereby *"technological innovation and industrial upgrading can be achieved by imitation, import, and/or integration of existing technologies and industries, all of which implies much lower R&D costs."*¹⁰⁵ There's a sense in which this idea applies to the world of big-

picture politics as well. The USSR was the world's first socialist state, and as such its successes and mistakes constitute indispensable raw material for the study of socialist society. The CPC has been assiduous in learning from the Soviet demise in order to avoid suffering a similar fate. David Shambaugh, citing a study by the Chinese Academy of Social Sciences, sums up some of the key lessons the CPC has tried to absorb. These include “concentrating on economic development and continuously improving people’s standard of living”, “upholding Marxism as the guiding ideology”, “strengthening party leadership”, and “continuously strengthening efforts on party building – especially in the areas of ideology, image, organisation, and democratic centralism – in order to safeguard the leadership power in the hands of loyal Marxists.”¹⁰⁶

The issue of maintaining a workers’ state and preventing the ascendance and dominance of pro-capitalist ‘liberals’ is arguably the most important lesson to be learned from the collapse of the USSR. Even with ongoing economic difficulties, it’s perfectly conceivable that Soviet socialism could have survived if the top leadership hadn’t decided to abandon the project. Allen Lynch, a prominent researcher of Russian politics at the University of Virginia, speculates that, if Gorbachev’s predecessor Yuri Andropov had lived another couple of decades (he died at the age of 69 after just one year as General Secretary of the CPSU), things might have been very different. “Judging from Andropov’s programmatic statements in 1982-83, as well as his long record at the summit of Soviet politics, there can be little doubt that he would not have countenanced anything remotely resembling Gorbachev’s political reforms or that he would have hesitated to use force to stop public challenges to communist rule. Moreover, Andropov’s networks in the Party, KGB, government and military were incomparably stronger than Gorbachev’s and he might well have leveraged a viable coalition for piecemeal reform of the Soviet economy. While the long-term success of Andropov’s economic vision may be questioned, it is entirely plausible that the Soviet Union – like Communist China – might still be with us.”¹⁰⁷

The lessons from the collapse of the Soviet Union must be thoroughly learned by the remaining (and future) socialist states as well as the global working class as a whole. In the current stage of history, where these states constitute a global minority and where they face a powerful ideological enemy that is determined to destabilise (and ultimately destroy) them, these lessons are broadly applicable. They form a key part of the great legacy that the Soviet experience leaves to the global working class.

We note in closing that the Soviet project is by no means a historical relic; its experience is relevant and even crucial to contemporary politics. The heroic feats of the Soviet people live on in Cuba, China, Vietnam, Laos and Korea; in socialist-oriented and progressive states and movements around the world. Even in the territories of the former Soviet Union and the former socialist states in Europe, the memory of better times lives on (not least in the considerable defence and retention of Soviet achievements, traditions and forms in Belarus). Their populations are starting, as Fidel Castro predicted they would, to regret the counter-revolution, to miss “those orderly countries, where everyone had clothes, food, medicine, education, and there was no crime, no mafia”; they are beginning to “realise the great historic mistake they made when they destroyed socialism.”¹⁰⁸

Yegor Ligachev – the most prominent of the Soviet politburo members that tried to resist counter-revolution in the Gorbachev era – put it well: “History does not progress in a straight line. It zigzags, steps back, and turns. The socialist phase of civilisation has not managed to avoid those turns. Despite the temporary defeat of socialism in the Soviet Union, the twentieth century will go down in history for the destruction of the colonial system, the defeat of fascist tyranny, and the experiment in construction of a socialist

society. On the basis of that history, humanity will eventually realise a breakthrough to a socially just society, one in which the individual will come to full fruition.”¹⁰⁹






















The way to honour the legacy of the Soviet Union is to study it, to learn from its great successes and its sad demise, and to leverage this history towards a global socialist future. Such is the task left to our generation by the Soviet workers.

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