

China, the rise of a new imperialism

I. The metamorphosis of the People's Republic of China

II. Capitalism in the PRC

III. A new imperialism

What is Maoism?



Sailing the Seas Depends On The Helmsman

Maoism

1. Revolutionary Strategy
2. Mass Line
3. The role of the Party
4. 'Continuation of Class Struggle under Socialism'

Pre-1949 revolutions

1911 The first Chinese “Bourgeois” Revolution

1925-27 Second Chinese Revolution

1946-49 Civil War
(and the Chinese Trotskyist debate)

The Maoist era 1949-1976



The Maoist era 1949-1976

New Democracy

'Socialism'

- Great Leap Forward 1958-1962
- Cultural Revolution 1966-1976

1976: Fall of the Gang of Four, blip or break?

- 'Reform and Opening up'

II Capitalism with Chinese characteristics



China 1979 - today

Market reform and three waves of privatization

Foreign capital and “the world sweatshop”

Urbanisation and Industrialisation

Corporation	Incentive
AT&T	1993: executives visit Beijing, unconditionally support MFN status, sign MOU of long term cooperation
Boeing	1993: PRC places 4.6 billion USD
ExxonMobil	1994: PRC vice-premier visits Texas to thank ExxonMobil for its support and sign agreement on gas & oil
Hughes Aerospace	1998: Access given to cheap satellite launches
IBM	1994: PRC vice-premier visits IBM HQ and signs MOU on cooperation
McDonnell Douglas	1994: PRC vice-premier visits HQ to thank for its support and sign contract
Motorola	1993: PRC president promises more access to Chinese infrastructure

Role of China

Annual growth rate 10% for twenty years.

The world's second largest economic entity.

The world's second largest trading country.

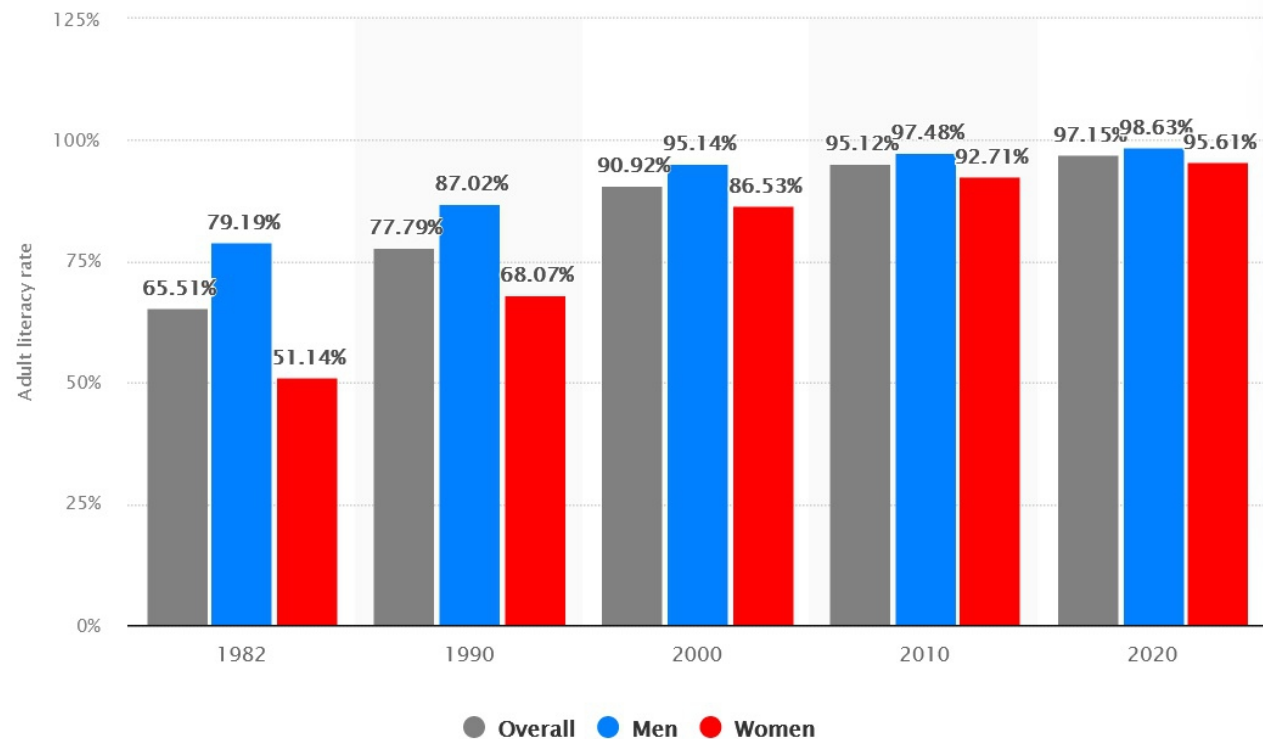
The world's largest manufacturing country.

The top foreign reserves country.

One of the highest FDI recipient countries

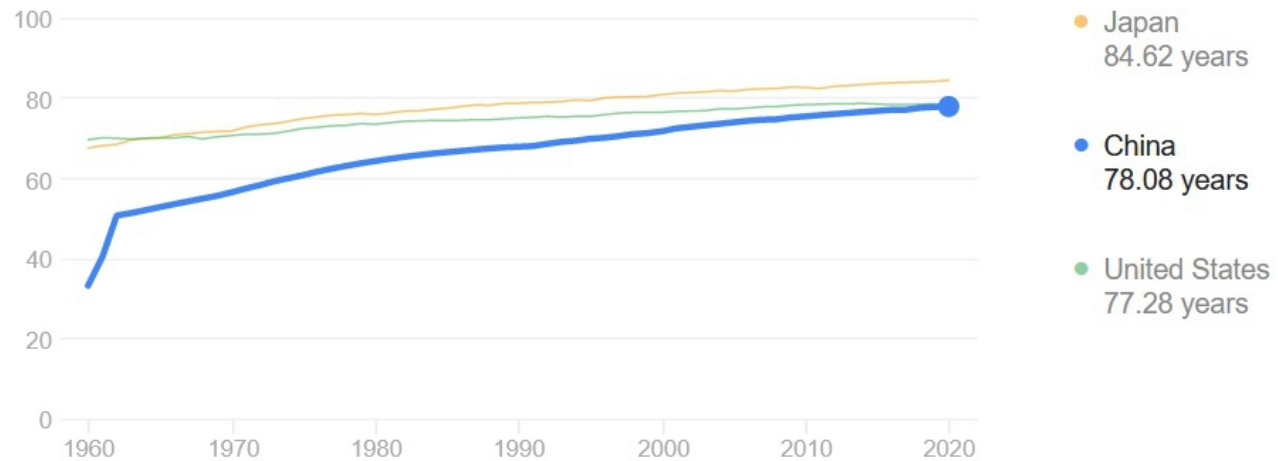
Top outward FDI country in the world (2020)

Adult literacy rate in China from 1982 to 2020



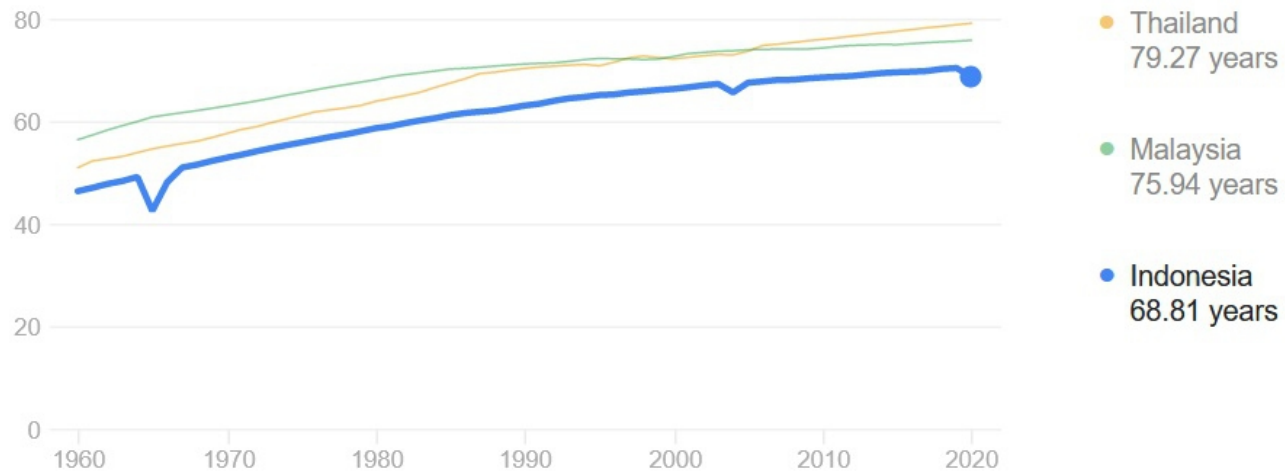
China / Life expectancy

78.08 years (2020)

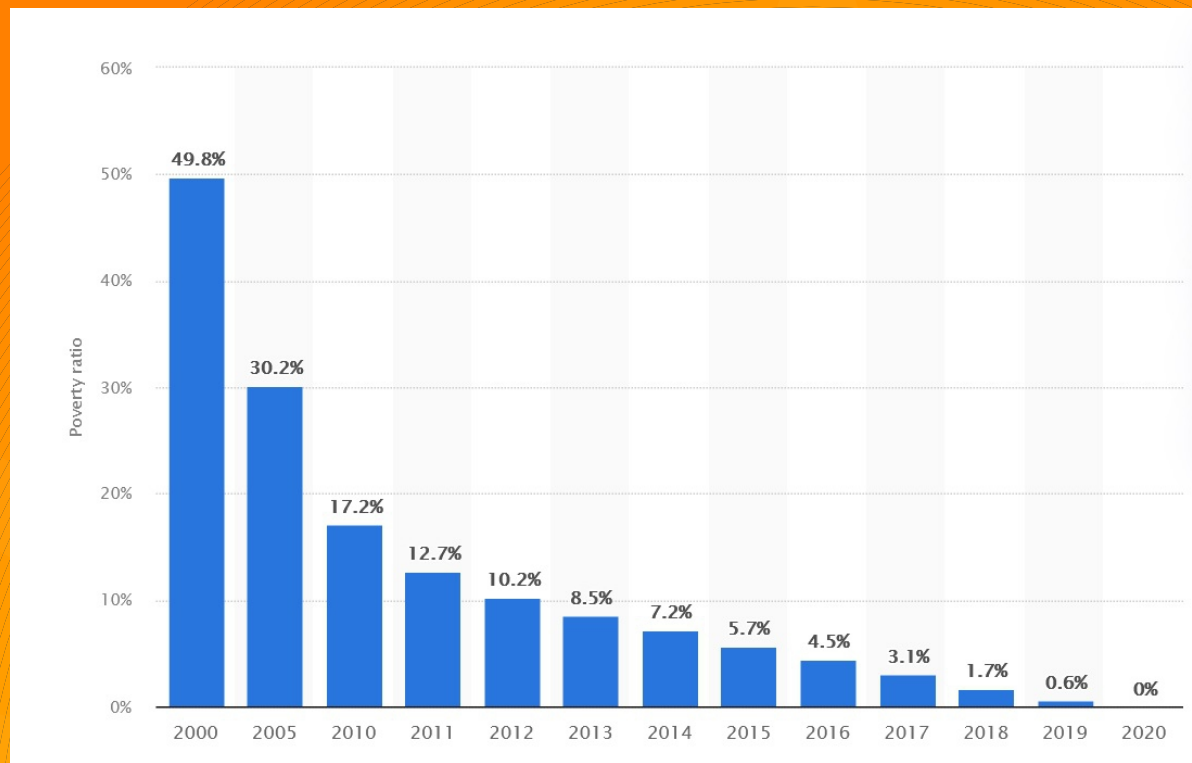


Indonesia / Life expectancy

68.81 years (2020)



Poverty Rate

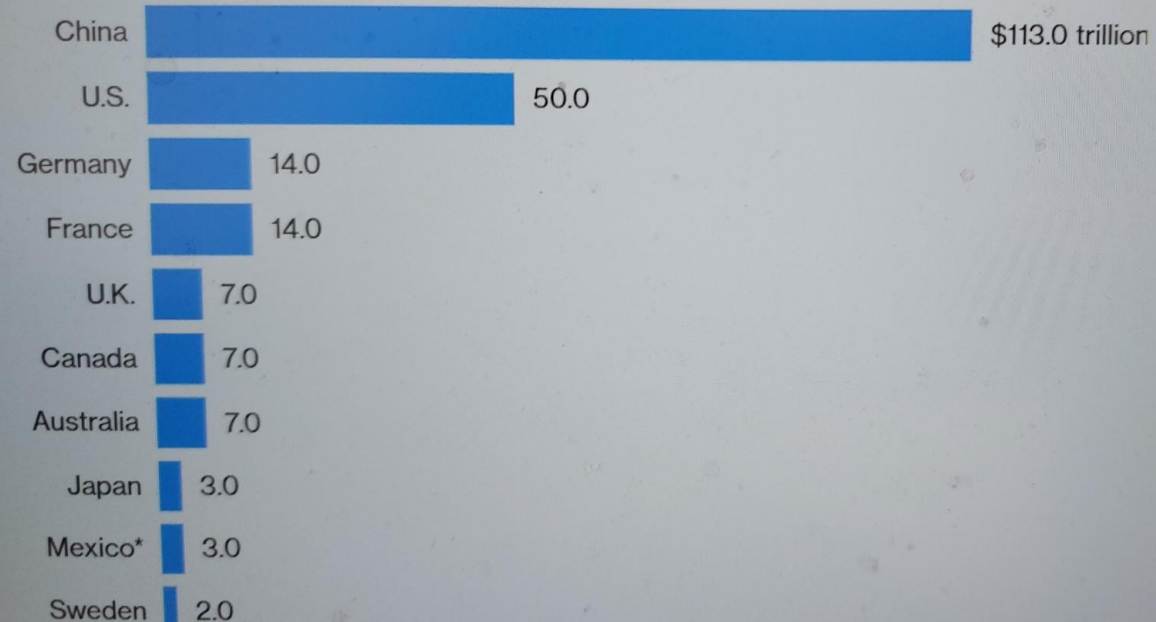


Threshold:
345 USD
pp per year

World's New Wealth

China accounted for almost one-third of gains in global net worth over the past two decades

■ Increase in net worth, 2000-2020



Commanding Heights

Government monopolized industries:

oil extraction, oil processing, tobacco,
coal, gas, electricity, heat production,
railway, postal, airlines,
telecommunication, banking &
insurance

Commanding Heights

2006 state announces that defence, power generation and distribution, oil and petrochemicals, telecommunications, coal, aviation and shipping are strategically important.

In 2007, within the top 500 Chinese enterprises the state sector accounted for 69.8%, accounting for 93.6% of asset value, making 87.9% of the total profit and employed 89.3% of employees.

In 2011 China had three companies (the Sinopec Group, China National Petroleum and State Grid) listed in the top ten Fortune global 500, while overall it had sixty-one companies, the majority of which are state-owned, listed in the top 500.

A new ruling class

“in a society where the bourgeoisie had been destroyed by a communist state, the task of creating a new class of entrepreneurs... could only be performed by the communist state itself. The bureaucrats of the communist regime were best positioned to take advantage of the new market mechanisms.”

- Maurice Meisner, *The Deng Xiaoping Era*

A new ruling class

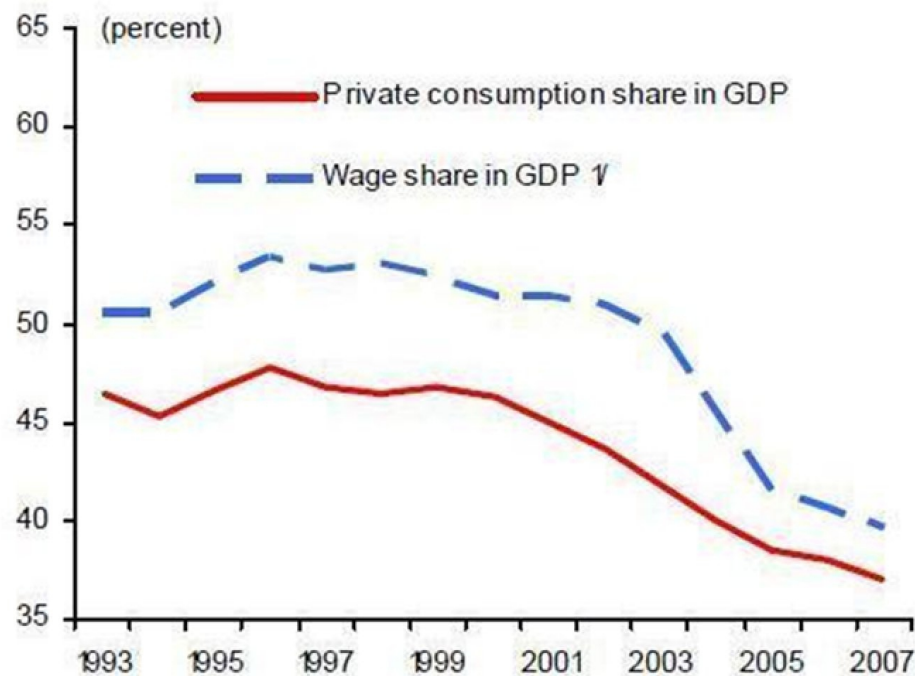
“If (the bureaucracy) has considered it possible to introduce ranks and decorations, it must inevitably in future stages seek supports for itself in property relations.... The new cult of the family has not fallen out of the clouds.

Privileges have only half their worth, if they cannot be transmitted to one's children...It is not enough to be the director of a trust; it is necessary to be a stockholder.

The victory of the bureaucracy in this decisive sphere would mean its conversion into a new possessing class.”

– Trotsky, *The Revolution Betrayed*

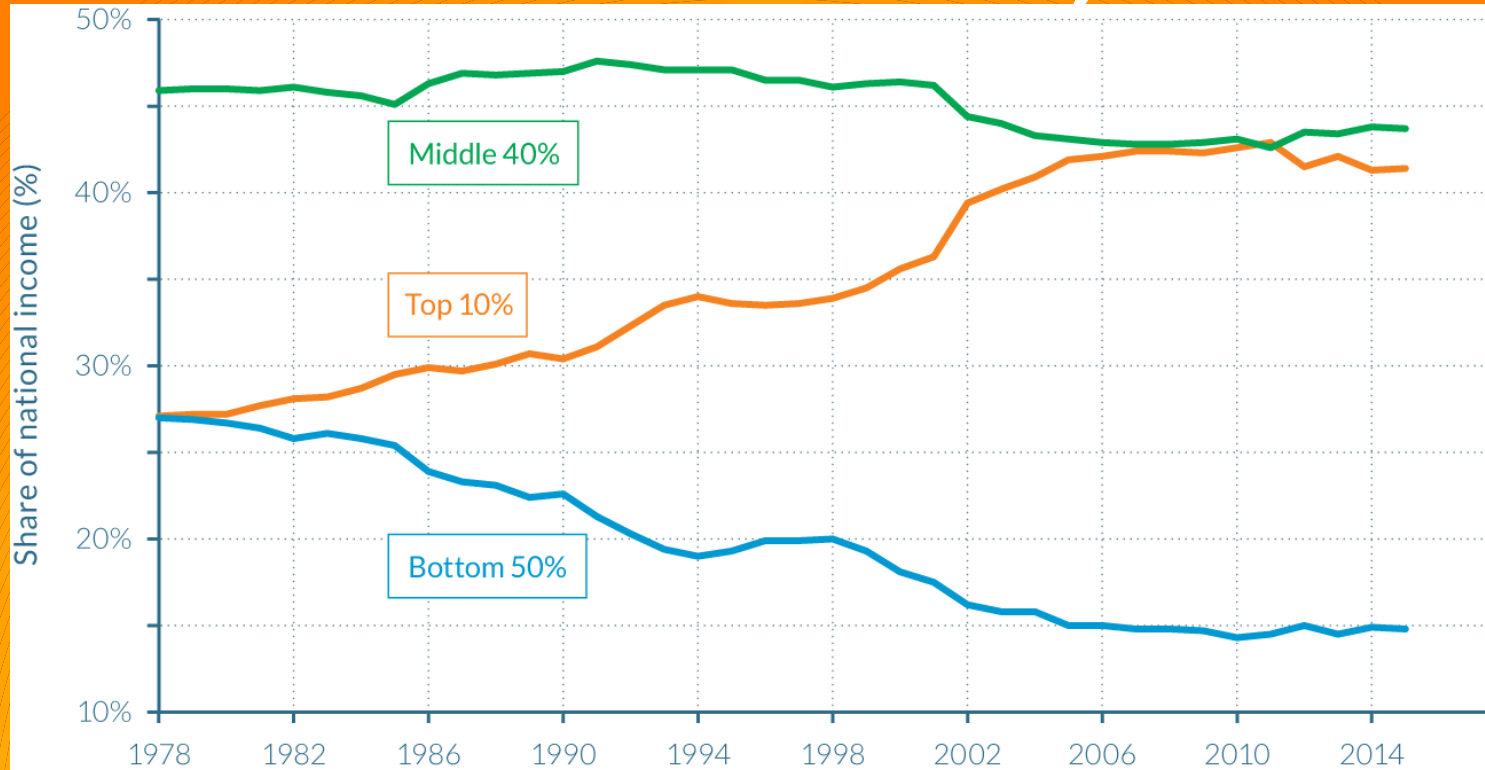
Figure 16: Structure of the economy is key to increasing the role of consumption



Source: NBS, staff estimates

1/ from *China Statistical Yearbook*, table 2-20.

Income shares in China, 1978–2015



Source: Piketty, Yang and Zucman (2017). See wir2018.wid.world/methodology.html for data series and notes.

In 2015, the Top 10% national income share was 41%.

‘In both countries - the world’s biggest economies - more than two-thirds of the wealth is held by the richest 10% of households, and their share has been increasing, the report said.’

[www.bloomberg.com/news/articles/2021-11-15/global-wealth-surges-as-china-overtakes-u-s-to-grab-top-spot]

What is Capitalism anyway?

‘The capitalist mode of production, for example, rests on the fact that the material conditions of production are in the hands of non-workers in the form of property in capital and land, while the masses are only owners of the personal condition of production, of labor power.’

- Marx, *Critique of the Gotha program*

Capitalism is the only form of class society in which *commodity production becomes generalized*, in which all elements of production (land, labour power, labour instruments. etc.) become commodities. Generalization of commodity production creates a constantly growing but also constantly uncertain and changing anonymous market, and this implies in turn universal competition. It is this universal competition between separate capitals (owned by separate capitalists) which is the main driving force for the accumulation of capital ... Capitalism is therefore a mode of production in which the generalization of commodity production unleashes a historic process of accumulation of capital.

- Ernest Mandel, *The Inconsistencies of “State-Capitalism”*

The New Working Class



Making and Unmaking of the Chinese Working Class

The great restructuring to make Chinese firms competitive

The number of workers in State Owned Enterprises shrank from 112 million in 1995 to 64 million in 2009. The number of workers in urban collective enterprises declined from 35.5 million in 1995 to 6.2 million in 2009.

Women were the first to go, and accounted for 70% of those fired.

	Industrial sector	Service sector
1991	130	110
2008	210	260
Percentage of global total	26%	18%

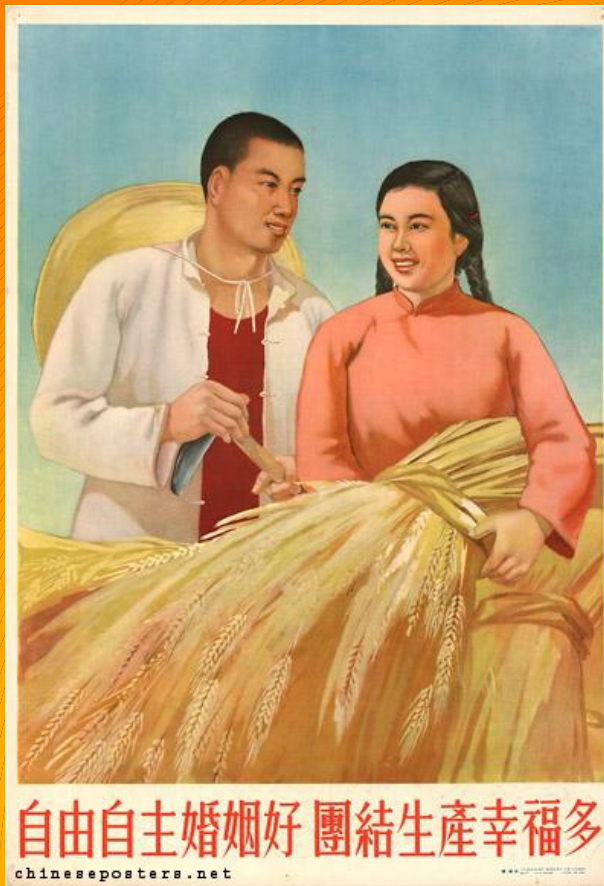
China's working population

China working population 2020: 771 millions

Distribution of China working population 2019:

	%	no. of people (millions)
Industrial	27	208
Agricultural	25	192.8
Services	47	362.4

Women hold up half the sky



III A new imperialism



2008, a turning point?

Assessment of US weakness

Decline of international demand

Economic: a domestic turn?

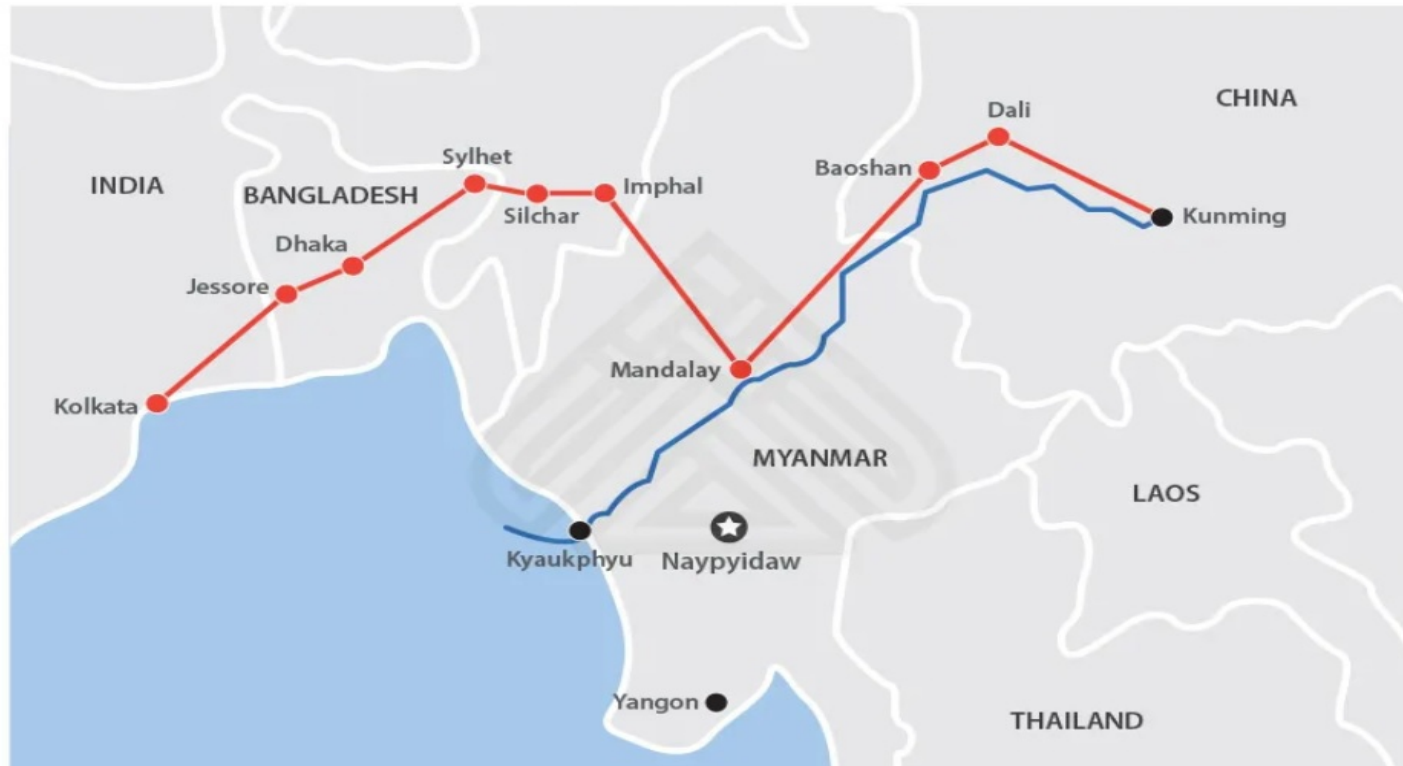
Political: a new assertiveness?

BELT AND ROAD INITIATIVE 「一帶一路」倡議

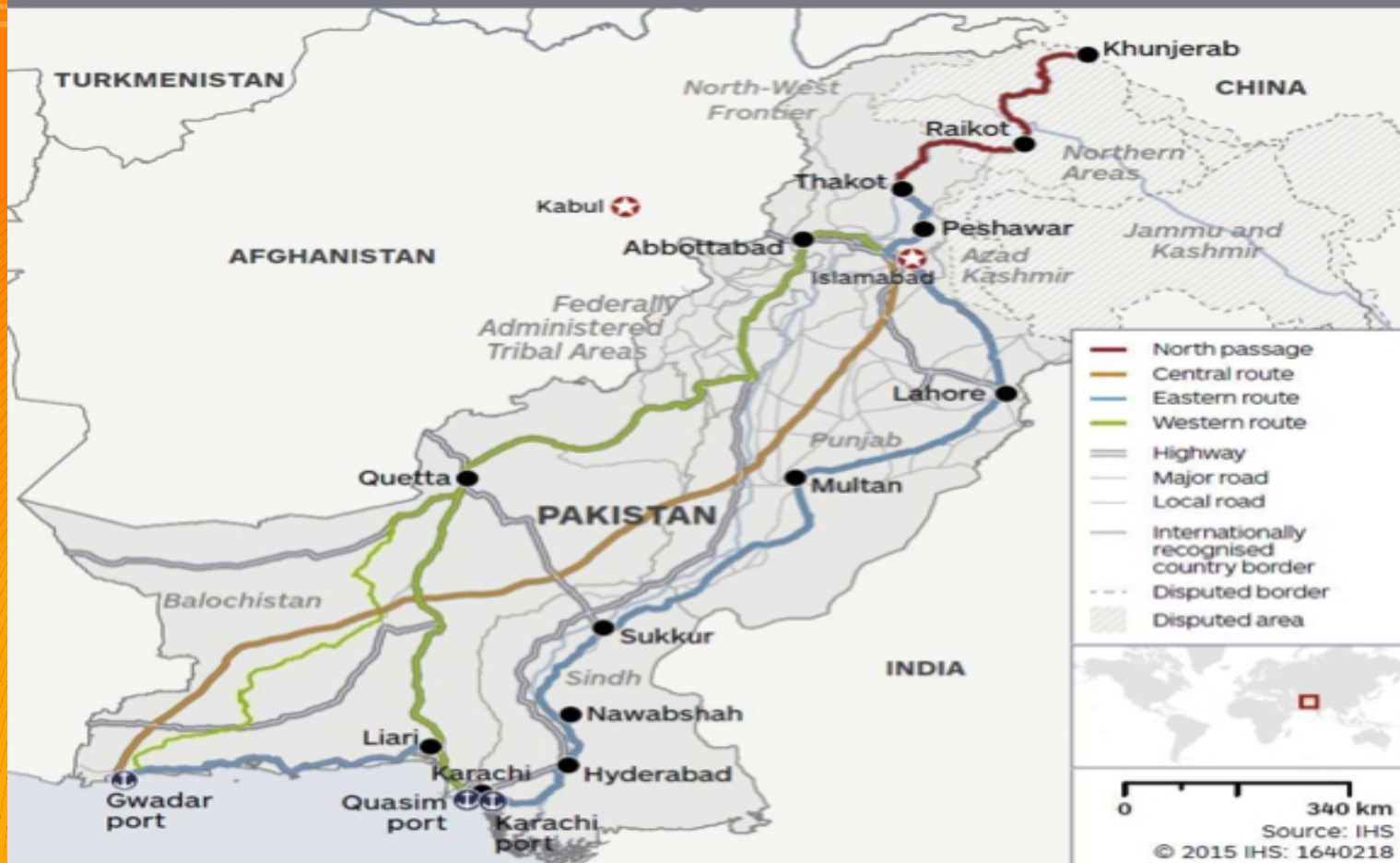


Belt & Road Corridors Between China & Myanmar

— Bangladesh-China-India-Myanmar Corridor — China-Myanmar Economic Corridor

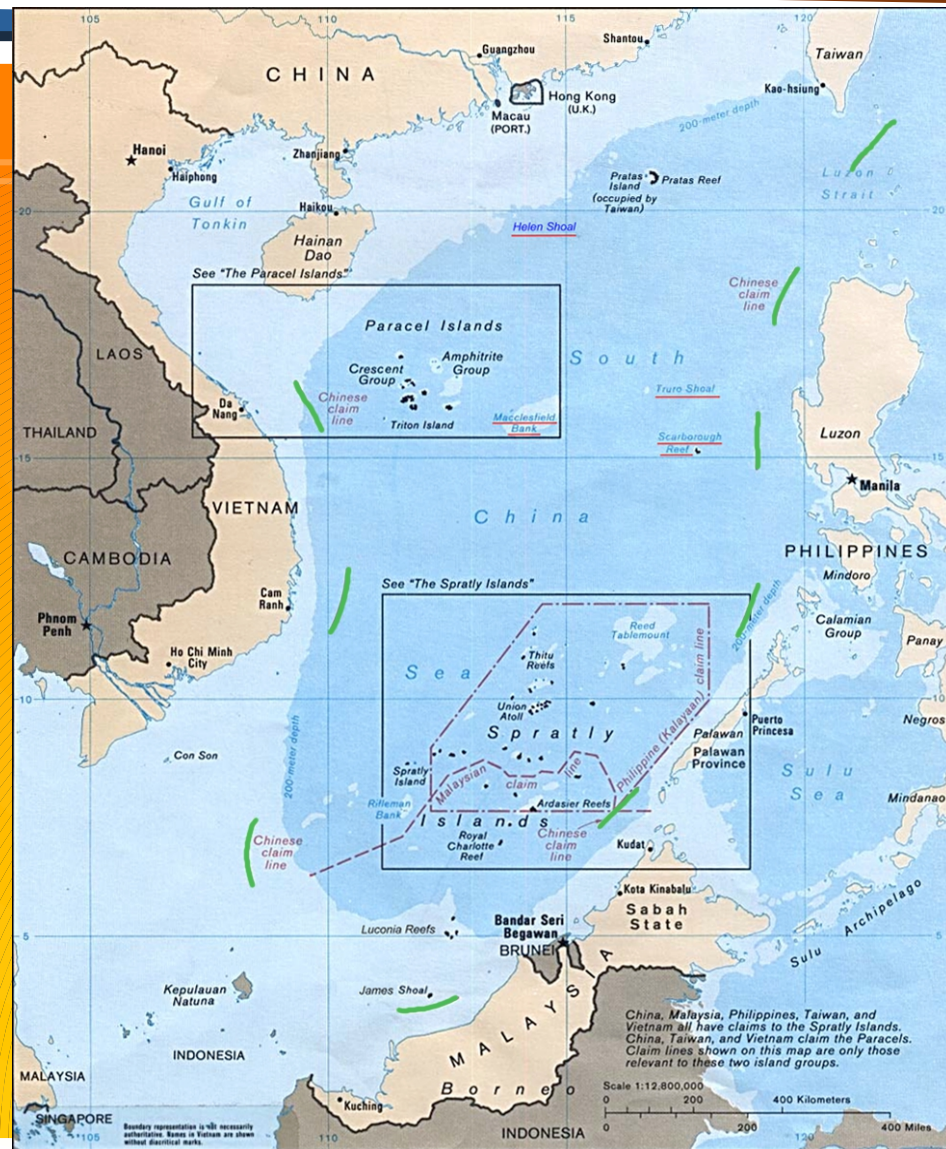


China-Pakistan Economic Corridor Map



West Philippine Sea





A weak link in Chinese capitalism?

In 2014, China produced 84% of mobile phones, 82% of tablet computers, 66% of color TVs, 81% of PCs of the world.

China imported 70% of the world's chips and used 25%.

China produced 6% of the world's chips.

Historical periods

years	Description	Key events
1949 - 1956	New Democracy	Destruction of capitalist class, formation of CCP party-state
1956 - 1976	Bureaucratic non-capitalism	Great Leap Forward Cultural Revolution
1976 - 1999	Transition to capitalism	Commodification of land, formation of a new capitalist class, Tiananmen protest, privatization of SOEs
1999 - 2008	Workshop of the World	Remaking of the working class, migrant worker struggles
2008 - today	The Chinese Dream	Moving up the value chain, domestic consumption and imperialism