

100 years of crises - The Three Revolutions of the Chinese Communist Party

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The Communist Party of China led three revolutions of world-historic significance in its short 100-year-history: national liberation, the “Cultural Revolution,” and China’s rapid capitalist transformation.

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July 1, 2021 marks the 100th anniversary of the Chinese Community Party, one of the most important institutions of our time. Reflecting on the meaning of this centennial, the first thing that entered my head was that the present does change the significance of the past.

Before 1991, when the Soviet state went pffft, I would have bet, hands down, that the most important event of the 20th century was the Russian Revolution of 1917.

Now, owing to history’s merciless intolerance for failed experiments, the Chinese Revolution has emerged as the most momentous event of the last century, and its paradoxical consequence — the rise of China as the center of global capital accumulation — bids fair to be the most significant development of this century as well.

From National Liberation to the Cultural Revolution

In 1949, China was able to put behind it the long century of shame that began with its defeat in the first Opium War from 1839 to 1842, which resulted in the ceding of Hong Kong to the British Empire.

In the succeeding decades, imperial China collapsed, the country was plunged into deep social and spiritual crises, and it went through a wrenching civil war between a corrupt and weak nationalist government and a puritanical revolutionary communist party led by Mao Zedong.

Other countries would have experienced a post-revolutionary consolidation after 1949, but not China. A restless revolutionary, Mao pushed the country into the disastrous “Great Leap Forward” from 1958 to 1962 — and then, after a brief pause, into the decade-long “Cultural Revolution,” which called on youth to declare war on their elders and all things ancient and traditional. It even pushed

them to “bombard headquarters,” that is, the Communist Party, while the People’s Liberation Army held the ring within which the battle unfolded.

By the early 1970s, China was exhausted. Or perhaps a better way of putting it is that Mao had exhausted China.

The so-called Asian Miracle was unfolding on China’s eastern borders — in Japan, Korea, and Taiwan — but, as Roderick MacFarquhar and Michael Schoenhals described it in 2009 [1], “China itself now lay spread-eagled, this time by its own hand, not as a result of foreign invasion or conventional civil war.”

For Deng Xiaoping and other survivors of Mao’s “bombardment of headquarters,” the message was clear, as MacFarquhar wrote in 2010:

“They had to embark upon a policy of rapid economic growth to make up for lost time and to relegitimize CCP rule. They had to abandon Maoist utopianism in favor of building the strong and prosperous nation of which they had dreamed when they joined the nascent CCP in the 1920’s. Otherwise the CCP itself might not last. So ‘practice,’ not ideology — not Marxism-Leninism, not Mao Zedong Thought — became the ‘sole criterion’ of truth. If it worked, it would be done.”

Nation and class have always had an uneasy coexistence in Chinese Communism. Reconciled during the struggle to free the country from imperialism, class conflict gained the upper hand during the Cultural Revolution. But with Mao gone and Deng in command, the emphasis shifted decisively to national solidarity in the late 1970s, with “national modernization” declared as China’s new objective.

This collective goal of bringing about common prosperity through rapid economic growth was, however, not to be achieved by submerging the individual in the cooperative venture of the virtuous masses, but by activating the latent spirit of competition that separated them.

From Socialism to Capitalism

Deng did not say, “To get rich is glorious,” as is commonly believed. But however he might have expressed the new outlook, it was squarely in the tradition of Adam Smith, who said that the common good would, paradoxically, be achieved by competition among individuals.

There was, however, one difference, and it was a major one.

While Smith said a minimal, “night watchman” state would be best for competition to thrive and achieve the common good, Deng and the CCP said a powerful state, holding the ring like the People’s Liberation Army did during the Cultural Revolution, was necessary for the common welfare to be achieved in a society where competition would also unleash corruption and in a world that continued to be dominated by predatory western capitalist societies.

It was an important difference that would shape the contours of China’s third revolution since the founding of the Communist Party in 1921: the country’s breathtakingly rapid capitalist transformation.

Mao’s socialist revolution petered out, but he had created the state that made possible the success of its capitalist revolution. For with that state, his successor Deng was emboldened to make a devil’s bargain. The bargain was that in return for the country’s comprehensive development along

capitalist lines, the CCP would offer the country's labor force for super-exploitation by U.S. transnational corporations.

That powerful state, however, would ensure that the force of capitalism unleashed by the deal would be bent in China's favor, instead of the transnational corporations. And that state, on account of its revolutionary origins, was far more powerful than the fabled developmental states of Japan and South Korea that had produced the Asian miracle economies.

Forty years on, Deng and his successors have clearly gotten the better of the western capitalist devil. True, there have been costs, and not insignificant ones. Income inequality in China is coming close to that of the United States. Environmental crises are rampant. Western China has been left behind by coastal China. The push for gender equality has lost momentum. Democratic rights have been subordinated to the stability of the state.

Yet, nothing succeeds like success, as the 90-year-old Mikhail Gorbachev probably realizes with bitterness, all but forgotten now in his homeland while Deng has been canonized in his.

China has become the center of global capital accumulation — or, in the popular image, the “locomotive of the world economy” — accounting for 28 percent of all growth worldwide in the five years from 2013 to 2018, more than twice the share of the United States, according to the International Monetary Fund. In the process, over 800 million people have been lifted out of the ranks of the poor, according to the World Bank, though Beijing's claim that it has “abolished extreme poverty” has been met with some skepticism.

Though protests are widespread on the ground — and often tolerated instead of repressed — and alienation from the authorities is widely expressed on the internet, there is no systemic challenge to the CCP.

Fear of repression may be a factor here, but far more significant is a more mundane phenomenon. As one western economist put it [2], “For most of the past three decades, all boats have been rising, and most people pay more attention to their own boat than the boats that have risen higher...They may, in short, have bought into Deng Xiaoping's motto early in the reform era that ‘some people and some regions should be allowed to prosper before others.’”

China as a Model?

After a visit to the new Soviet Union in the 1930s, the American journalist Lincoln Steffens famously wrote, “I have seen the future and it works.” In a similar manner, China's startling success has captivated many outside China.

One of those most mesmerized is the Columbia University economics professor Jeffrey Sachs. Sachs has done a complete turnaround from his early days as a champion of the free-market “Washington Consensus” in the 1980s and 1990s. In a recent talk with United Nations officials, Sachs claimed that “China shows a path for how it is possible to make profound transformations for well-being in a short period of time.” [3]

Sachs, who has been accused by some of his colleagues of “channeling Xi Jin Ping,” [4] is just one of a bevy of liberal and progressive western economists who no longer have any hope that a U.S. economy ruined by neoliberal policies that have fostered deindustrialization, out-of-control financial speculation, and spectacular inequality (with 50 per cent of the population having access to only 12 percent of the wealth) has much of value to offer the global South. China, on the other hand, is seen

as the new North Star, the country most capable of providing global leadership for a strategy that Sachs calls “sustainable development.”

But China has not embraced Sachs’ “sustainable development,” nor has it promoted what some western economists have deluded themselves into thinking of as China’s response to the neoliberal Washington Consensus: the so-called Beijing Consensus. When it comes to what China has to offer the world, Beijing has gone out of its way to say it is not prescribing a model for other countries. Indeed, it has gone to some lengths to claim that what Deng Xiaoping called “socialism with Chinese characteristics” is a state-guided capitalist system unique to China and probably non-transferable.

What Deng’s heir, Xi Jin Ping, wants though is for China to be recognized as the leader of globalization in its latest phase of “connectivity,” or the comprehensive linking via physical, economic, and digital infrastructures of vast areas of the globe.

Originally meant to be mainly a way by which China could reduce the overcapacity that was sapping the profitability of its industry, the much ballyhooed Belt and Road Initiative (BRI) has become Beijing’s flagship project in its pursuit of connectivity, aiming to bring about the compression in terms of time and space of the Eurasian landmass, Africa, and Latin America via a web of physical and digital projects.

In terms of actual and future commitments of money in the form of development aid or more straightforward commercial deals — up to \$3-4 trillion now from Xi’s original commitment of \$1 trillion — according to some estimates, has already been earmarked by Beijing to BRI projects, the bulk of it to developing countries.

Indeed, the BRI can be seen as one giant foreign assistance project to the global South that is highly competitive with bilateral and multilateral aid from the West that comes with strings attached in the form of neoliberal and human rights “conditionalities.”

Group of Seven on the Rocks

The disparity between the “soft power” of the United States and Beijing was on full display during the recent G7 meeting in Cornwall, England, and its immediate aftermath. U.S. President Joe Biden tried hard to recreate the old western alliance after Donald Trump’s demolition job, invoking a struggle between “western democracy” and “authoritarian China.”

The post-Trump sigh of relief was palpable, but the G7 rhetoric masked harsh realities. Washington’s allies knew that Biden faced an undeclared civil war at home, with the white supremacist Republican Party led by Trump actively seeking to destabilize him. The Europeans knew that the European Union itself was in a very real crisis, with Britain leaving it. The expansive Japan of the 1970s and 1980s is now the little Japan of the 2020s, which has never quite snapped from its more than 30 years of economic stagnation.

The B3W (Better World Partnership) meant to counter the BRI that was announced with fanfare was purely reactive, and purely reactive programs tend to be put together in a hurry, with little serious thought to follow-through.

The biggest problem is, of course, money. And with all these countries suffering fiscal and sovereign debt crises, with the possible exception of Germany, where are the western governments going to get the trillions of dollars to match China’s estimated \$4 trillion current and future investment in the BRI? Washington, for one, has already committed \$250 billion that could otherwise be earmarked for

its tattered bilateral aid program to the new U.S.-focused high tech industrial policy program passed by the Senate and awaiting sure passage in the House of Representatives.

The fact is, even as they rhetorically proclaim B3W, the majority of the G7 countries, with the exception of Japan and the U.S., have signed on as partners in the China-led Asian Infrastructure Investment Bank (AIIB), despite the efforts of the Obama administration to dissuade them a couple of years ago.

These governments have a keen sense of where their interests lie at the same time that they know that rhetoric is cheap, especially rhetoric to keep Washington happy. No wonder Beijing could hardly conceal its scorn for the whole empty show when it characterized the G7 backslapping in Cornwall as a manifestation of “small circle politics.”

Advice for China

But I do have some urgent advice for Beijing.

One piece of advice has to do with the much-touted BRI. The BRI projects have to be designed to be more environmentally and climate-friendly, and more attuned to people’s needs, instead of being what Arundhati Roy has called “gigantistic” top-down projects reminiscent of the mid-20th century.

Also, China’s commitments to reduce greenhouse gas emissions should be more radical in scope and speed, something that is demanded of the world’s current champion in greenhouse gas emissions.

Beijing should likewise end the practice of bringing in thousands of Chinese workers to work in projects it funds in Africa and elsewhere and hire and rapidly train many more local workers.

Moreover, China should stop grabbing maritime formations such as Mischief Reef and Scarborough Shoal that belong to the Exclusive Economic Zone of the Philippines and making the outrageous claim that 90 percent of the South China Sea belongs to it. These moves are illegal and unjustifiable, even if they are understandable as strategic defensive moves to counter the very real military threat posed by the U.S. 7th Fleet’s domination of the South China Sea and West Philippine Sea. Instead, it should work with ASEAN instead for a treaty demilitarizing the Sea to eliminate the U.S. threat.

Finally, Beijing must end its forced cultural assimilation of the Uighurs in Xinjiang. And while Hong Kong and Taiwan are indisputably part of China — a fact not disputed by the international community, it must be stressed — it must be cognizant of the right of the peoples of these areas to have a say in the way they are governed, especially given the unavoidable issues of national identity created by their long separation from the rest of the country by colonialism.

So China has real problems, both domestic and in some of its relations with the global South. But overall, Beijing’s rise has been a large plus for most of the world. It has become a global economic force powering the economies of smaller countries, and it has achieved this with little, if any, of the force and violence that marked the rise to hegemony of the West. It has provided the countries of the global South alternative opportunities for aid and finance that have contributed to their becoming much less dependent on the U.S. and the rest of the West.

But beyond these has been its inspiring lesson to so many countries: that with determination, grit, and organization, it is possible not only to break western domination but to use the West as a means of achieving national resurrection. In the long view, the rise of China is but the latest stage of the global South’s 150-year-old struggle for decolonization to end the over 500-year-old yoke of western

capitalist hegemony.

Danger Ahead?

But our optimism must be tempered, and most of all by the fact that hegemonic powers like the U.S. are often at their most vicious when in decline.

The U.S. enjoys absolute superiority over China in the area of war-making capabilities because China has elected to spend most of its available resources for economic priorities and economic diplomacy. This yawning gap creates a dangerous situation, since Washington will be tempted to try to compensate for its rapid economic decline with new military adventures — this time not in the Middle East, where its troops continue to be pinned down in unwinnable struggles, but vis-à-vis China.

This is why the South China Sea is so volatile. In a region where there are no rules of the game except a volatile balance of power, it is not a distant possibility that a mere ship collision between two forces playing “chicken” with each other, which U.S. and Chinese forces apparently frequently engage in, could easily escalate into a conventional war.

Are we being too alarmist in our reading of the dangers of Washington’s absolute military superiority?

The U.S. has probably been the most warlike country on earth over the last 245 years, constantly expanding and taking over territory through military adventures in its first 150 years, then using military force to achieve and maintain military hegemony for the next 100 years.

There have been few periods when this country has not been at war. Indeed, Americans have been continuously in combat over the last 20 years in Afghanistan, and it is not at all a sure thing that Washington’s powerful “war on terror” lobby will allow President Biden to follow through with his planned total withdrawal from that country by September of this year [5].

Compare this to China, which last deployed a force for war outside its borders over 40 years ago — a cross-border expedition to “punish Vietnam” that ended in a disaster for the People’s Liberation Army that Beijing would prefer to forget. Indeed, the big fear of Chinese military strategists is that their forces do not have the experience of war-making that the U.S. has, which would be critical in any conflict. As disciples of Clausewitz, the great theorist of war, the Chinese Communists know there is a large gulf between preparing for war and actually engaging in war, and in the latter, accumulation of actual warfighting experience would be decisive.

In his latest book, Graham Allison, the dean of the American security studies establishment, asks rhetorically if China and the U.S. are “destined for war,” as the volume’s title puts it. Read the book closely, and despite its periodic protestations that it was written to enable Beijing and Washington to avoid conflict, one cannot avoid the impression that this work, which is required reading in West Point, Annapolis, and Colorado Springs, is actually meant to lay out various ways of militarily containing China.

This does not surprise those who have a long and deep familiarity with the bellicose history of American society even before its formal declaration of independence in 1776. And it would not be a surprise if the Chinese, who have been taught by experience to be utter realists when it comes to relations between states, would consider a preemptive or provocative move on the part of Washington as not only possible but probable.

For the leaders of the CCP, which has lived through 100 years of crises and conflicts, the question is most likely not whether but when, where, and how it will take place.

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P.S.

- Foreign Policy in Focus (FPIF) | June 30, 2021:
<https://fpif.org/the-three-revolutions-of-the-chinese-communist-party/>
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Footnotes

- [1] https://www.google.com/books/edition/_/Ch0bH0uX8U0C?hl=en&gbpv=1&pg=PA2&dq=%22China+itself+now+lay+spread-eagled,+this+time+by+its+own+hand,+not+as+a+result+of+foreign+invasion+or+conventional+civil+war%22
- [2] https://www.google.com/books/edition/China_s_Economy/cPa9CwAAQBAJ?hl=en&gbpv=1&dq=%22For+most+of+the+past+three+decades,+all+boats+have+been+rising%22&pg=PT187&printsec=frontcover
- [3] <http://english.sina.com/china/o/2021-03-31/detail-ikmxzfmi9886668.shtml>
- [4] <https://www.theglobalist.com/jeffrey-sachs-xi-jinping-china-united-states-propaganda/>
- [5] <https://fpif.org/why-biden-might-not-be-able-to-extricate-the-us-from-its-middle-east-quagmire/>
Available on ESSF (article 58568), [Why Biden Might not be Able to Extricate the US from its Middle East Quagmire](#).