How Socialist Is the Chinese Party State?

written by Au Loong Yu | June 5, 2011

THE PUBLISHER OF WANG HUI'S BOOK described it as follows: "arguing that China's revolutionary history and its current liberalization are part of the same discourse of modernity, Wang Hui calls for alternatives to both its capitalist trajectory and its authoritarian past."

What follows is our review of the book in the light of this description: how far this assessment is correct, and how relevant it is for those social activists who are pursuing just such an alternative in China.

We must bear in mind that Wang Hui is first and foremost a cultural and philosophy scholar who specializes in China's intellectual history. Therefore even though the book's name suggests a highly politicized debate, much of the content of the book is concerned with cultural and intellectual history in contemporary China, more so than political aspects. For practical reasons we would like to focus our comment on Wang's political writings. This basically includes the first three chapters, and accounts for half of the length of the book.

After defeating the 1989 democratic movement, the Chinese Communist Party under Deng Xiaoping pushed forward an agenda of full scale capitalist restoration combined with rapid industrialization, which was made possible only because of the opening up of its market to foreign capital. The huge size of China and the gradual process of the opening up gave enough space and time to domestic capital to grow fast enough to fend off foreign capital in becoming dominant in the commanding height of the economy, which laid the base for the rise of China. This came at a price, though, and it was the workers in the state and collective sectors who paid for it with the loss of their jobs and the accompanying free medical care and accessible education for their children. Most intellectuals went along with this great tide of neoliberal attacks on the old welfare state. Most liberals enthusiastically embraced the downsizing of the workforce in the state sector, seeing it as part of the retreat of the all powerful state and the growth of an autonomous market which would lay the base for a democratic society in the future. The only complaint they had was that privatization was not accompanied by moderate constitutional reform.

The Relevance of Social Movements

WANG HUI WAS AMONG OTHER LEFTISTS who argued against the liberal or neo-liberal discourse. His earlier articles were published in English under the title *China's New Order* by Harvard in 2003. It carries a 1997 article "Contemporary Chinese Thought and the Question of Modernity" in which he mocks the liberal idea that the logic of the market is a free exchange of individual rights and therefore capable "to put certain restrictions on the excessive expansion of state power." Echoing Karl Polanyi's distinction of market and market society, he says:

> Within the dichotomy of planning/market, the notion of the "market" has been assumed to be the source of "freedom." This notion, however, blurs the distinction between markets and a market society. If we can say that markets are transparent and function in accordance with the price mechanisms of the marketplace, then a market society would use market mechanism to govern the realms of politics, culture, and all other aspects of life — the working of market society cannot be distinguished from a monopolistic superstructure. It is in just this way that the notion of markets obscures the inequalities of modern society and its unequal structures of power.[1]

In this turn of the century debate, the liberals tried to defend market reform by disconnecting from it all the social ills which people commonly related to the reform: increasing social inequality, rampant corruption, open contempt for labor and environmental laws, etc. They argued that neither the market, nor capitalism should be held responsible for these social ills; rather it was socialism and the party state which should be held responsible. Wang Hui responded that they were

> unable to come to an understanding of the fact that China's problems are also the problems of the world capitalist market and that any diagnosis of those problems must come to terms with the steadily increasing problems produced by the globalization of capitalism…Even the state behavior that was the primary target of New Enlightenment thinking has been constrained by this huge market.[2]

In China where the memory of Mao still looms large among the people, any attack on the capitalist reform from the left often results in referring to Chairman Mao and his version of socialism to justify its attack and looks to the party state as the only salvation from the savageness of capitalist reform. They, like the neoliberals, rarely see movements from below as positive things. This was how a current of nationalist and statist discourses began to emerge among the so called New Left intellectuals — a label which Wang Hui himself finds problematic. Wang Hui may not be critical of the nationalist discourse, but he is one of the very few intellectuals who acknowledges the importance of social movements in the winning of social justice, be it under capitalism or socialism. Although he himself is not an activist, it seems he pays attention to the birth of social movements in China. This is one of the threads running from *China's New Order* to *The End of the Revolution: China and the Limits of Modernity*. He reminds the liberals that when they hold Western capitalism as a reference point for its respect for individual rights and its parliamentary democracy, they should not forget that these were the results of prolonged social movements. Not surprisingly, he is one of the few leftist intellectuals who highly value the 1989 democratic movement and direct participation in public affairs in general. Blinded by the false dichotomy of market/state and each seeking salvation from one end of the dichotomy, both neoliberals and nationalists are equally negative in their evaluation of the 1989 democratic movement and social movements in general, seeing the 1989 movement as either "counter reform" or an "anti-socialist revolt incited by imperialism." In the second chapter of *The End of the Revolution: China and the Limits of Modernity* Wang Hui came to defend the movement by pointing out that there were socialist leanings deeply inherent in the movement[3]:

> Students, intellectuals, and other movement participants all supported reform (including political and economic reform) and demands for democracy…What people were demanding was to proceed with economic reform, albeit upon the basis of democracy and justice; they were not demanding so-called absolute egalitarianism or moral idealism. These demands were in fundamental conflict with those put forward by the special interest groups demanding more radical privatization, even though the full extent of this conflict was not understood at the time.[4]

Having presented Wang Hui's idea on market reform, social movements and democracy we think it is true to say that Wang Hui calls for alternatives to both capitalist trajectory and authoritarian collectivism.

Socialist Tradition: How Much Is Left Anyway?

ONE MUST ALSO BE AWARE of the limitations of such a call though. Wang Hui's contribution lies in his attack on neo-liberalism and the myth built around the market in the midst of a sharp turn to the right in government policy since mid 1990s. However, he rarely carries his attack further to target the regime which is precisely the force which has pushed through two waves of privatization, first in state and collective enterprises, then second on urban land. Although Wang Hui is troubled by the rampant corruption of the party, he nevertheless only targets a force which he terms "special interest group":

> Among those strata participating in the 1989 social movement were those special interest groups that had massively benefited from the decentralization of power and benefits in the 1980s, and who were now dissatisfied with the impending adjustment policies.[5]

> The present issue of corruption not only involves individual corrupted officials but also the question of the relationship between social policy, economic policy and special interests. The development of the hydrocarbon industry and energy projects, for instance, are often impeded or led by individual special interest groups…Domestic and international special interest relations have now seeped into state mechanisms and even the process of legislation to an unprecedented degree. Under these conditions, the question of how the state can represent the so-called "universal interest" has already become extremely tenuous.[6]

While the liberals put the blame of most social ills on the party state alone, many left nationalists act in just the opposite way and blame the market economy alone so as to save the honor of the party. For the latter, if the party has a problem it is either from outside forces (the market or imperialism) or from some mysterious "special interest group." So logically it means that it is this "special interest group," not the party, which should be responsible for the capitalist restoration and the imposing of an intensively anti-labor regime. It is problematic to make such an argument, however, because it is precisely the party which made the decision to crush the 1989 movement, to adopt full capitalist restoration since 1992 and to switch from being anti-bourgeoisie to deeply pro-bourgeoisie and anti-labor, to the extent that it sacked 60 million state-owned and collective enterprise workers. It is only in this context that this mysterious "special interest group" can reap its own benefit at the expense of the people.

Wang Hui may not have gone as far as the left nationalists, but his uncritical usage of the left nationalist's discourses may not enable him to distance himself from the latter either.

Maybe it is because Wang Hui cannot speak freely. Anyone who is more or less informed about China knows very well the heavy censorship there. Any writer who questions the official characterization of the party or the state as the bearer of "socialism with Chinese characteristics" is risking punishment from above. Indeed Wang Hui has already received punishment by being sacked from the editorship of the well known journal *dushu.* To avoid censorship it is common for Chinese writers to use all sorts of code to represent sensitive terms or critical ideas, and one of these terms is "special interest group." While this practice may enable writers to get around the censorship it also means sacrificing political clarity – people can have very different interpretations of what a "special interest group" is. In fact, the rampant corruption in the party and the moral decay in society are increasingly compelling people to be more explicit in speaking out. Even the very mainstream and well known economist Wu Jinglian now openly attacks the present system as "crony

capitalism" without fearing retaliation.

While we must take into account the factor of censorship, we suspect that the inner logic of Wang Hui's writings may carry enough weakness to obstruct him from further developing his call for a real alternative. The crux of the problem lies in the questions: What is the class role of the party state since 1989 anyway? Which class interest does it serves since then? For us the answers are clear: the party state has undergone a qualitative change in its class role and now is in the service of the bourgeoisie. If Wang Hui acknowledges the importance of providing answers to these questions but fears the consequences of speaking out, he can choose silence. However, he, like many left nationalists, continues to give credit to the party state which it does not deserve. He has done this by over-stressing the supposed living tradition of socialism amongst the party state:

> The Chinese Communist Party, while thoroughly repudiating the Cultural Revolution, did not repudiate either the Chinese Revolution or socialist values…This has created a twofold effect. First, the socialist tradition has functioned to a certain extent as an internal restraint on state reforms…Secondly, the socialist tradition gave workers, peasants and other social collectivities some legitimate means to contest or negotiate the state's corrupt or inegalitarian marketization procedures.[7]

The CCP had not repudiated either the Chinese Revolution or socialist values? Can one really take the CCP's rhetoric of socialism at face value? Can one really argue this, considering the two great waves of privatization and the great wave of dismissals of 60 million workers? We do not deny that occasionally common people may win partial victories when they invoke the socialist principle enshrined in the constitution, but one must not also lose sight of the other side of the story, namely that much, much more has been lost, gone with the wind; that the party has betrayed the revolution and has transformed itself into a party of the propertied class, that the labor power of hundreds of millions of workers and farmers are once again reduced to a mere commodity, freely bought and sold at miserable prices, and that no socialist tradition in China has ever been able to stop this from taking place. No qualified accountant can draw up a balance sheet for a company just by entering the small sum of assets left over without also entering the huge losses and mountains of debt it has incurred as well. If Wang Hui has made that mistake, it also means that he is making a theoretical concession to the left nationalists, who have been trying to whitewash the Communist Party by arguing that although there was a break between Mao's China and Deng's China, fortunately it has only taken place in the economy, while at the political level there is more continuity because the ruling Communist Party still rules and the "socialist tradition" is still alive (how much?) in the party state,[8] and what is left to do is to persuade this party state to once again turn to the left. For instance, this is what Giovanni Arrighi argues in his book *Adam Smith in Beijing*.[9] His idea was later echoed by a Taiwan scholar Huang Debei, who looks favorably at Mao's socialism and who argues that up until now the state of China has been an autonomous Bonapartist state, therefore not yet submitted to the class interest of the bourgeoisie; hence it can turn either to the right or to the left (how far?).[10] In contrast, we will argue that although in appearance the party state stands above all classes, it does not imply that it has no class character at all, or that it is entirely "neutral" or "autonomous" of all classes. Rather, it is crystal clear that since 1989 the party state has betrayed its own founding principle to the full and has been in the service of the bourgeoisie, hence a bourgeoisie party state.

Sources of Corruption: Within or Outside of the Party?

THIS NOTION OF "SOCIALIST TRADITION" happily forgets that it is the party state bureaucracy which

constitutes the hard core of the new born bourgeoisie at the expense of workers. In the course of making a U turn in its class policy from anti-bourgeoisie to pro-bourgeoisie the bureaucracy has first and foremost enriched itself. So when Wang Hui should look within the CCP for the source of capitalist restoration he looks elsewhere. The truth, however, is that it does not require some exogenous "special interests" to "seep" into the state machinery to corrupt it; it is the source of its own degeneration. For Marxists, the state is always an alienated force from society, and the bureaucracy always serves its own interest, and this is doubly the case when the state bureaucracy, the supposed "public servants," have taken all political power from the hands of the "masters of the house" very early on. They did this not just out of supposed necessity due to a state of siege during the cold war, but also due to their own needs to monopolize the right to distribute social surplus and to benefit from it. Thus the degeneration of the party into a fully restoration party is more the result of endogenous than exogenous forces. Therefore leftists, including Wang Hui, erred when they thought that it was a wrong policy choice when the CCP embarked on the market reform; they forgot that what drove the CCP to take this decision had less to do with political correctness but more to do with the material interests of this hardened bureaucracy. If there is any continuity between Mao's China and Deng's/post-Deng's China, it is less the continuity of a "socialist tradition" but more the privileges of the bureaucracy as represented by the CCP: what "ism" it believes is always of secondary importance; what is paramount is its monopoly of political power. And as time went by the party became more and more conscious of the fact that without the introduction of the right to private property there was always the risk that its monopoly on political power to distribute social surplus would not pass down to its children. Therefore what characterizes the 60 year history of the PRC is not just a break between an authoritarian collectivist past and an equally authoritarian capitalist present, but also continuity incarnated in the monopoly of power by this party of the bureaucracy. The break occurs precisely because it was the only way to allow the party's rule to continue indefinitely. Therefore an alternative to both a capitalist trajectory and authoritarian collectivism can only be conceivable by opposing the party, not by giving it credit by saying that this party state still carries certain aspects of "socialist tradition," and is hence capable of self reform, and what is left to do is to try persuading the CCP to make policy changes. To argue for the second option is bound to sow illusions among a rising new working class.

Where is the Place of Class Struggles?

WANG HUI HAS NOT GONE THAT FAR, but his characterization of the class nature of the party state, or the lack of it, and his acceptance of the persistence of "socialist tradition" theory, may act as a bridge to a position which simply accepts the role of lobbying the ruling party, while a revolt from below is both necessary and urgent. Indeed it is striking that in Wang Hui's writings the issues of classes, state and bureaucracy and their relation to contemporary China are always brief and abstract, if not largely missing. Nor is there any account of class struggle as one of the forces in moving contemporary Chinese history forward. In fact, Wang Hui treats the subject of the dramatic transformation of the role of the party state so lightly that he just summarizes his observation in a few sentences in his first English book:

> The modern socialist movement was brought about by an analysis of the internal contradictions of capitalism and by the aspiration to overcome these contradictions, but the practice of socialism not only failed to complete the task of this aspiration, but it ended by being absorbed into global capitalism. At the same time, capitalism derived from socialism and from various movements for the protection of social rights opportunities for reform and self-critique, to the point where today, it is impossible to define socialism or capitalism in their original senses on the basis of the autonomous unit of the nation-state.[11]

It seems that there is a dose of fatalism in this description of the failure of socialism; that the defeat is just a natural evolution of socialism. This kind of proposition makes too much of a concession to the neoliberal's discourse of "transitional economy," according to which the socialist movement in the 20th century was just a momentary departure from the market economy, and its centrally planned economy was fated to abdicate its position to market economy once again as this is the only viable way of organizing an effective production and distribution system. Such a discourse is too ahistorical, however, because it leaves out altogether the element of class struggle. Wang Hui's own account does not fare much better. Although Wang Hui highly values the 1989 democratic movement, he was not able to see this as a massive revolt against the CCP's agenda of capitalist restoration, that the aspiration of the majority of the participants was precisely an aspiration for "alternatives to both its capitalist trajectory and its authoritarian past," that the intensity of the movement had for a time made the top leaders of the CCP so nervous that the latter feared that if they did not act fast to crush the movement the army might split. Although Deng Xiaoping eventually succeeded in his dirty work, after the crackdown most top leaders were probably still haunted by the scene of the biggest, boldest and direct challenge to the CCP ever seen in the history of the PRC. It left such a deep mark in the memory of the bureaucracy that it became paranoid about a movement from below that in the ensuring 20 years it turned China into a perfect police state by contributing a budget for internal security even larger than its budget for defense.[12] Therefore neither was there anything natural about the metamorphosis of the class role of the CCP, nor was the capitalist restoration entirely fated by some mysterious ahistorical forces. Any suggestion of this sort is in fact depoliticizing a very political subject.

Yes, we are bringing back the old fashioned debate of capitalism and socialism, of classes, class struggles and the state. But this is not the same kind of squabbles as among little sects which are more interested in abstract political formula as they understand it, than real struggles in the real world. On the contrary, we bring it back precisely because many former state owned or collective enterprise workers have asked these sorts of questions many times over: why did the one apparently most "revolutionary" party end up becoming a party of restoration? Why was the CCP under Deng Xiaoping able to make this turn? Why was there no serious opposition to this turn? What is the nature of the CCP and the state it controls anyway? Isn't it true that it has now entirely become protectors of the exploiting classes?

What is most unfortunate is that few leftist intellectuals ask the same questions. Hence even when some of them argue against the market and capitalism either they do so in the most abstract and academic way (for instance reaffirming the priority of "equality" over "efficiency"), or if they ever argue in a more political way it is always trapped in the false dichotomy of state and market, and they end up supporting the party state's continuous monopoly of power as a means to fight off capitalism. In this way they have written off the working class and socialism altogether.

Wang Hui is one of the few who performs better than most of the other leftists, and part of his writing can act as a starting point to an alternative, but since he also makes so much of an intellectual concession to the official ideology his writings can also lead in the opposite direction.

While writing this comment the author here has tried his best not to misunderstand Wang Hui. It has also proved to be a difficult task, however, because his writing, as usual, tends to be abstract and so densely loaded with so many references to schools of ideas in one single essay that it sometimes makes one doubtful of its usefulness. What is more, his Chinese essays can be very different from his English ones even if they bear the same title. For instance the essay "Depoliticized Politics: From East to West" is not a full translation of the Chinese original, rather, it is heavily abridged to just 15 percent of the original. We are not sure of the reasons for making such a short summary of the original but frankly in my view the Chinese original is not quite so successful in bringing out clearly his train of thought. Another leftist writer Li Tuo complained in a recent

interview about how he thought Wang Hui's style damaged the effective expression of his ideas.[13]

Wang Hui on National Minorities

WESTERN READERS ARE ALSO WARNED that it is difficult to make full and fair comment on Wang Hui by reading English translations alone. For instance, the English translation of *The Year 1989 and the Historical Roots of Neoiberalism in China* deletes altogether from the Chinese original Wang Hui's wholly negative evaluation of the right to self-determination for national minorities.[14] His critique is merely based on associating the right to self-determination with the imperialist agenda in Yugoslavia, forgetting that it was Marxists, like Lenin, who were major proponents of the right to self-determination. By arguing in such a way he is not doing enough justice both to the principle of self-determination and to all the oppressed minorities in the world, including China. Indeed, Wang Hui, in another Chinese essay which was later published in book form along with other essays, denies the right to self-determination to Tibetan people by quoting approvingly Zhou Enlai, who rejected the right to self- determination. According to Zhou, in order for self determination to work without creating conflicts among minorities, there must be a situation where these minorities each occupies a distinctive territory, as was allegedly the case in Tsarist Russia. That was why the Russian revolution could allow minorities the right to self-determination and secession and reunited them into a federation of soviets states. Since China, unlike the Soviet Union, — so the argument goes — had a Han majority and the minorities all mixed geographically, China should hence not adopt federalism; rather, there was no choice but to choose a unitary state. The second reason given by Zhou was that a federalist state solution (with the right to self determination as its prerequisite) might invite intervention from Imperialism.[15] Anyone with a fair amount of knowledge of the Russian revolution and its position on minorities knows very well that Zhou's remark was factually wrong and theoretically invalid. For Lenin, self-determination should never automatically imply secession or the founding of a new state or federalism. It is disappointing to see that Wang Hui quotes Zhou approvingly.

But let us not be too harsh on Wang Hui. If we have to look somewhere else in the search of an alternative it is less because of Wang Hui's personal failure, but more because of the general failure among the intellectuals in thinking independently in relation to both the official ideology and to Western liberalism, or to the false dichotomy of state versus market. If the party state, despite its betrayal of its founding principle, still maintains a spiritual hold on left intellectuals, this hold comes less from the party's supposed "greatest popular legitimacy than at any time since the fifties," resulting from "economic growth and diplomatic success," as suggested by Perry Anderson[16], but more from its stunning success in combining capitalist restoration with rapid industrialization, which in class terms means success in its apparent independence to all classes and its ability to make classes disappear and appear at will: first exterminating the landlord class and the bourgeoisie in 1950s, and then promoting the re-birth of the bourgeoisie (with itself standing at its core) since 1980s; first granting the honor of "master of the house" to the working class and then decades later reducing it to pauperization and in its place drawing 250 million peasants from the rural and turning them into a new working class, not only as cheap labor but also to counterbalance the threat of a possible rebellion from the state sector workers. It is the great success of this 21st century Leviathan which has stunned all classes and keeps them in submission. Anyone who seriously looks for a left alternative is, therefore, required to first look at the history of the PRC in terms of class, bureaucracy, and the state. It is precisely this aspect which few left intellectuals are able to provide in a satisfactory way.