

Nature, Society, and Thought

**NST**

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**a Journal of Dialectical and Historical Materialism**

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# Unlikely Bedfellows: Orwell and the British Cultural Marxists

Philip Bounds

Our understanding of the main influences on the work of George Orwell has increased sharply over the last few years. Researchers in Britain and the United States have recently unearthed a number of sources that appear to have influenced the novels and political writings, ranging from a poem by Orwell's first wife in a Sunderland school magazine to the writings of dissident American Trotskyists.<sup>1</sup> Yet it remains the case that Orwell's political identity prevents us from appreciating the full scope of his intellectual interests. Because Orwell was a passionate anti-Communist, one of the doughtiest opponents not merely of Stalin's USSR, but of the world Communist movement as a whole, we tend to believe that he cannot have been influenced—except negatively—by the things that Communists said or wrote. But this is to misunderstand the left-wing culture to which Orwell belonged. The hard Left in Britain was every bit as divided in the Stalin period as it is today, but socialist intellectuals closely monitored the work of their counterparts in other organizations and ideas circulated freely across boundaries of party and doctrine. As such, Orwell was no less susceptible to Communist influence than any other contributor to *Tribune* or the *New Statesman*. The purpose of this article is to show that there were actually quite striking parallels between Orwell's cultural writings (still the least-examined part of his output) and those of the young literary

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intellectuals who were either members of, or closely associated with, the Communist Party of Great Britain (CPGB) in the 1930s and 1940s. These writers had a major influence on English literary culture in the ten years or so after 1935 and were certainly known to Orwell.<sup>2</sup> The most famous were probably Alick West, Ralph Fox, Christopher Caudwell, Edgell Rickword, and Jack Lindsay, although in this article I also refer to lesser known figures such as Arthur Calder-Marshall. I try to show that the writings of the English Communists influenced Orwell's work on culture in what I take to be its three main areas: (1) its account of the political significance of Englishness, (2) its attempt to identify a radical tradition in English literature, and (3) its analysis of commercial culture. Although this influence was indeed sometimes negative, in the sense that Orwell formulated his ideas in opposition to Communist writings, more often Orwell seemed to be reworking ideas with which he was basically in agreement. As we shall see, it could even be argued that on one occasion he came perilously close to plagiarizing an article by Alick West.

### ***The idea of Englishness***

Orwell gave his fullest account of English culture in "The Lion and the Unicorn: Socialism and the English Genius" (1941b) and *The English People* (1947), two short books that a number of editors have downgraded to mere essays. They are among the most important of all his writings, not least because they illustrate his main reason for becoming a socialist. By trying to show that there is something inherently radical about the outlook of the English people, they exemplify his belief that the great virtue of socialism is that it allows the "common decency" of ordinary people to permeate the whole of society. Yet there is little truth in the assumption that Orwell's interest in Englishness distinguished him from an interwar Left that was somehow more "internationalist" in its perspective. The attempt to define Englishness along radical lines was actually one of the most important strands in the cultural politics of the 1930s and had its roots in the efforts of Communist intellectuals to forge a popular culture appropriate to the CPGB's "People's Front" strategy against fascism.<sup>3</sup> An outline

of this attempt reveals the full extent of Orwell's debt to the work of his Communist contemporaries.

The CPGB's interest in the idea of Englishness is usually traced to the Seventh Congress of the Communist International in 1935. (The Communist International or "Comintern" was the organization based in Moscow that coordinated the activities of pro-Soviet Communist parties between 1919 and 1943.) It was at the Seventh Congress that the idea of a People's Front against fascism was enunciated for the first time. In his famous address to the Congress, published in Britain under the title *The Working Class Against Fascism* (1935), Comintern leader Georgi Dimitrov insisted that fascism could only be defeated by a strategic alliance of all the political forces opposed to it—including those, such as the liberal and progressive-conservative movements that the Communists otherwise regarded as "bourgeois."<sup>4</sup> He also argued that fascism should be contested at the cultural as well as the purely political level. According to Dimitrov, fascist movements had achieved considerable success by portraying themselves as the culmination of their respective national traditions. The Italian fascists had passed themselves off as the successors of Garibaldi, their French counterparts had identified Joan of Arc as the progenitor of Gallic fascism, while even the American fascists (though not considered a major threat) made inroads into public consciousness by identifying with the rebel forces in the War of Independence.

The role of the Communists was to expose this fraudulent appeal to patriotism by developing their own brand of patriotic history. By drawing public attention to the long history of popular radicalism in their respective countries, they could go a long way (or so Dimitrov believed) toward demonstrating that it was the values of Communism and not those of Hitler or Mussolini that represented the real legacy of the past (Dimitrov 1935).<sup>5</sup> The British Communists tried to popularize the history of what was usually called "English" radicalism in two distinctive ways.

Their first aim was to provide an overview of the long tradition of plebeian revolt that stretched back at least as far as the Peasants' Revolt of 1381, renewed itself with the various early

rebellions against enclosure (e.g., the Midlands Rising of 1609), and extended forward through the English Civil War, Chartism, and the birth of modern socialism.

Their second aim was slightly more rarefied—to show how a number of Britain’s most distinguished writers and thinkers had been inspired by the radicalism of ordinary people, going on to produce work that both reflected and clarified the concerns of the popular movement. The most influential works on the history of popular radicalism were probably A. L. Morton’s *A People’s History of England* (1938) and Jack Lindsay’s pamphlet *England My England: A Pageant of the English People* (1939). They were supplemented by an anthology of extracts from English radical literature that Lindsay coedited with Edgell Rickword and that appeared in the space of less than a year under two different titles: *Volunteers for Liberty* (1939) and *A Handbook of Freedom* (1939). The ingenious and paradoxical argument that underpinned these works was that the English people had always been the *real* custodian of liberal values by virtue of their unswerving commitment to communism. Whenever the people had risen up against their rulers, or so it was argued, they had invariably been motivated by the dream of a communist society. The immediate causes of popular rebellion had varied from century to century, ranging from exasperation with feudal hierarchies to a hatred of enclosure, low pay, and factory discipline, but the ultimate goal of the people had always been the establishment of a classless society based on common ownership. Moreover, the fact that such a society had not yet existed (except in primitive form in the period between the departure of the Romans and the arrival of the Normans) did not disguise the fact that popular revolt had been almost wholly responsible for winning the liberties that the English now take for granted. Freedom of speech and assembly, trial by jury, and parliamentary government—these were all the byproducts of the people’s struggle against a ruling class whose own contribution to the establishment of a liberal polity in Britain had been practically nonexistent.<sup>6</sup> In a passage to the significance of which I shall return later, Edgell Rickword suggested that the English idea of freedom had always been marked by a



salutary suspicion of unworldly theorizing—in other words, the people have tended to fight for “some specific form” of freedom and been relatively unconcerned with “freedom in the abstract” (1939, ix).

Orwell’s account of Englishness was organized around similar arguments to these, but it also contained an interesting change of emphasis. Whereas Lindsay, Morton, and Rickword had effectively claimed that the English people were good liberals because they were also good communists, Orwell took a more historically nuanced view. Instead of claiming that the English people had somehow been socialists since the late Middle Ages, he insisted—at least implicitly—that the characteristics that had previously inclined them toward liberalism now made them sympathetic to the idea of socialist revolution. Writing in “England Your England,” the first and most compelling part of “The Lion and the Unicorn,” he famously observed that the two most essential features of English culture were its “privateness” and its “gentleness” (1941b, 77–78). The first of these had tended to ensure that the ruled usually adopted an attitude of healthy irreverence toward their rulers. By organizing their spare time around “unofficial” activities and spaces relatively immune from political interference (“the pub, the football match, the back garden, the fireside and the ‘nice cup of tea’” [78]), the common people had naturally come into conflict with a ruling class that remained deeply puritanical and morally authoritarian. By the same token, their gentleness had made them instinctively sympathetic toward all the constitutional proprieties that totalitarian governments were now seeking to discredit: trial by jury, free elections, equality under the law, and so on. It had also imbued them with a hatred of militarism that made it most unlikely that a culture of goose-stepping chauvinism could ever take root in Britain, except as a result of foreign invasion. Now that the “utter rottenness of private capitalism” had become evident, the English people had finally realized that their liberal instincts could only receive adequate expression in a classless society—or, as Orwell put it, “By revolution we become more ourselves, not less” (133).

If Orwell agreed with the Communists that the English people had conflated socialist and liberal concerns in a very distinctive way, he also echoed Rickword's point about their distrust of theory. One of his first observations in "England Your England" was that "the English are not intellectual" and that they "have a horror of abstract thought, they feel no need for any philosophy or systematic world-view" (1941b, 77). In spite of belonging to one of the most emphatically doctrinal movements in the history of world politics, both he and Rickword seemed to approve of this anti-intellectualism, seeing it as a necessary antidote to the tendency of continental socialists to lose themselves in theoretical mazes. It is tempting to argue that Orwell and Rickword had a sort of sub-Adornian awareness of the way that "instrumental reason" can be bent to authoritarian (or fascistic) purposes, but the real explanation for their distrust of abstraction was probably more simple—a shared concern that socialism had become too closely associated with the cause of science.

The assumption that science and socialism were practically synonymous had achieved special prominence in interwar Britain, not least because of the very public conversion to Marxism of such eminent scientists as J. D. Bernal, J. B. S. Haldane, Hyman Levy, Joseph Needham, and Lancelot Hogben. Each of these men had played a role in popularizing the idea that socialism's chief mission was to liberate science from the distortions of the capitalist market.<sup>7</sup> In his notorious book *The World, the Flesh and the Devil* (1929), Bernal had even suggested that scientists should take sole responsibility for administering the society of the future, though not before dispensing with their bodies and suspending their brains in synthetic cylinders.<sup>8</sup> When they paid tribute to the determinedly empirical outlook of working-class Britons, Orwell and Rickword were effectively warning the Left against the dangers of such fanaticism. Rickword was presumably dissuaded by Party loyalties from launching a concerted attack on science; but in his remarkable essay "Culture, Progress and English Tradition," written for C. Day Lewis's symposium *The Mind in Chains* (1937), he hinted at his real views by claiming that a socialist society would transcend the opposition between art and science by

combining the methods of both in a sort of higher synthesis (1937, 255–56). Orwell was much more explicit in his comments on science, especially in the second part of *The Road to Wigan Pier* (1937). While recognizing—and not regretting—that the advance of science could not be stopped, he argued that advanced technology would inevitably create a culture in which heroism was impossible, everyday life became sedentary, and all forms of work were stripped of their aesthetic significance (Orwell 1937, chap. 12). As such, the role of people like himself (whom he called “internal critics” of the Left) was to serve notice that socialism had much more to do with “justice and liberty” than with the worship of machines.

### ***The politics of English literature***

As we have already seen, the second element in Communist writings on Englishness was the attempt to identify a strain of radicalism in Britain’s literary heritage. Party intellectuals claimed a number of Britain’s most famous writers and thinkers for the radical tradition in a flurry of writings from 1935 onwards. There were important monographs on Bunyan, Dickens, and William Morris; suggestive essays on figures such as More, Shakespeare, Swift, and Blake in the journals *Left Review* (1934–1938) and *Our Time* (1941–1949); as well as numerous brief articles on radical writers in a series entitled “The Past is Ours” in the *Daily Worker*. Orwell was often highly critical of this body of work, seeing it (probably wrongly) as part of a dishonest effort to project Communist values onto writers whose real political sympathies lay elsewhere. What has yet to be recognized is that some of his own writings on English literature, notably the great essays and articles on Swift, Dickens, and Gissing, effectively took the form of a critical dialogue with Communist intellectuals. One way of approaching the essay on Dickens is to see it as an extended response to T. A. Jackson’s *Charles Dickens: The Progress of a Radical* (1937), a book that Orwell singled out as a prime example of the tendency of modern ideologues to “steal” Dickens for their own causes (1940b, 454). Although Jackson’s book is too disorganized and digressive to be straightforwardly

summarized, its main concern was to portray Dickens as a cultural radical with a powerful faith in the possibilities of working-class power. Dickens, or so the argument went, instinctively understood that the cultural poverty of the Victorian age was rooted in its capitalist base. Since entrepreneurs have no choice but to be parsimonious with their investments (a situation summed up by Mr. Gradgrind's injunction to "buy in the cheapest market and sell in the most expensive"), and since a society's values are invariably based on those of the dominant economic system, it follows that the main characteristic of everyday life under capitalism will be a brutal suppression of emotion.

The consequences of a compassionless culture are particularly severe for children, whom the system (in the form of such schoolmaster-ogres as Dr. Blimber, Mrs. Pipchin, and Wackford Squeers) treats as undisciplined beasts whose spirit has to be broken at an early age. According to Jackson, who was unfairly described by Orwell as making "spirited efforts to turn Dickens into a bloodthirsty revolutionary" (1940b, 454), Dickens responded to the crisis of Victorian culture by calling for power to be taken out of bourgeois hands and devolved to working people. As soon as the workers are assigned a more central role in society, or so Dickens allegedly believed, their natural generosity of mind would pose a major threat to the more self-denying traditions of the ruling class. Working on this assumption, Jackson put forward the startling argument that the various stages in the evolution of Dickens's writings can be precisely correlated with the various stages in the development of Victorian radicalism.

The first, roughly between 1836 and 1842, was one of a unbounded optimism. At a time when Chartism enjoyed mass support and male wage-earners seemed on the verge of winning the vote, Dickens wrote a series of novels (*Pickwick Papers*, *Oliver Twist*, *Nicholas Nickleby*) in which class hierarchies were treated as a purely accidental feature of modern society, soon to be replaced by a more fluid set of economic and political relationships. Among the most important characters in these books were benevolent employers such as Pickwick and Brownlow, who were held up as models of democratic virtue.

The subsequent retrenchment of English radicalism, however, was rapidly to engender a darkening of Dickens's mood. In the years between the collapse of industrial Chartism in 1842 and the failure of the Second Charter in 1848, most of his novels (especially *Dombey and Son*) began to explore the factors that prevent the wealthy from voluntarily surrendering their power. One of his main themes at this point was the nature of pride, seen as the natural ally of hierarchy. Moreover, the final period of his career (stretching from 1848 through to his death in 1872) saw the growing pessimism of the second period harden into outright despair about the possibility of social change. Looking on as the challenge of Chartism collapsed, Dickens now came to believe that British institutions were specifically designed to prevent ordinary people from exercising power. He illustrated this view with great trenchancy in *Bleak House* (1853), which showed how the legal system seeks to exclude the uninitiated by adopting procedures of a wholly unnecessary complexity (Jackson 1937a).

The argument that Orwell put forward in "Charles Dickens" (1940b) seemed at first sight to be quite different from the one advanced by Jackson. Whereas Jackson saw Dickens as an enemy of the existing system, Orwell famously described him as a "moralist" who believed that capitalism would function perfectly well if only people in general (and the ruling class in particular) were to behave more compassionately. Yet the interesting thing about Orwell's essay was the way it attacked the thesis of Jackson's book while preserving the structure of its argument. In particular, Orwell retained the idea that Dickens's writings passed through three stages of development but used it to substantiate his claim that the novels were primarily moralistic rather than political. Like Jackson, Orwell was especially interested in Dickens's portrayal of the "Good Rich Man." Noting that the early novels were littered with benevolent employers (such as Pickwick, Chuzzlewit, the Cheerybles), Orwell argued that their main purpose was to show how capitalism could be made to serve the public interest so long as the people who run it have a change of heart—a point implicitly refuting Jackson's claim that Pickwick and his ilk symbolized a moment at which class hierarchies seemed to be breaking down.

In a concession to the argument that the second and third stages of Dickens's career involved a descent into pessimism, Orwell went on to point out that benevolent employers more or less disappeared from the books written after 1850, only to be triumphantly revived at the eleventh hour in *Our Mutual Friend*:

The seeming inference from the rather despondent books that Dickens wrote in the fifties is that by that time he had grasped the helplessness of well-meaning individuals in a corrupt society. Nevertheless in the last completed novel, *Our Mutual Friend* (published 1864–5), the good rich man comes back in full glory in the person of Boffin. Boffin . . . is the usual *deus ex machina*, solving everybody's problems by showering money in all directions . . . In several ways *Our Mutual Friend* is a return to the earlier manner, and not an unsuccessful return either. Dickens's thoughts seem to have come full circle. Once again, individual kindness is the remedy for everything. (1940b, 458–59)

Although Orwell was obviously on the side of those who wished to change society rather than tamper with established values, he still managed to see something progressive in Dickens's emphasis on the ethical responsibilities of individuals. In a totalitarian age, Orwell wrote, it is depressingly obvious that "nearly every intellectual" sympathizes with the powerful and feels contempt for the common people. The great value of Dickens's moralism is that it graphically reminds us of the way that ordinary people have suffered at the hands of elites, and therefore reaffirms the importance of the egalitarian ideals that have "haunted" Western societies since the dawn of Christianity. Since Jackson was one of Britain's most egregious apologists for Stalinism, shamelessly defending the Moscow trials in the pages of *Left Review* (1937b), he might well have been one of the intellectuals Orwell had in mind when he formulated this argument. Moreover, when Orwell tried to clinch his argument by commenting on Dickens's portrayal of violent revolution (specifically in *Barnaby Rudge* and *A Tale of Two Cities*), he was surely responding directly to a discussion of the same issue in Jackson's book.

According to Jackson, Dickens became more attracted to the idea of violent revolution as his disillusionment with British institutions deepened. Whereas *Barnaby Rudge*, published in 1851 but written in 1848, seemed to dismiss the Gordon Rioters of 1780 as a bunch of drunkards and madmen, *A Tale of Two Cities* (1859) portrayed the *canaille* of 1789 in a much more favorable light. By contrast, Orwell argued that Dickens felt a hatred for those who would seek change by force that remained constant throughout his career. The Gordon Riots are indeed presented in *Barnaby Rudge* as the work of an evil mob, but even in *A Tale of Two Cities*, which acknowledged that the French masses had legitimate grievances, it was strongly implied that the French Revolution might have been avoided if the aristocracy had only taken its responsibilities more seriously. The “profound horror” that Dickens displayed in the face of “mob violence” tells us all we need to know about his suspicion of political action.

Orwell’s implicit point in “Charles Dickens” was not that the Communists were wrong to see Dickens as a radical, simply that their understanding of his radicalism was badly flawed. Elsewhere in his writings on English literature, taking his desire to nettle the Communists to more extreme lengths, he came perilously close to a mischievous endorsement of precisely those fascist and *fascisant* arguments about culture to which the Party intellectuals were responding. As we have seen, Dimitrov had urged Communists to write about the radical tradition in order to disprove the assumption that the values of the past were essentially fascist values in embryo. By contrast, Orwell seemed happy to admit that many of Britain’s greatest writers had anticipated the fascist outlook. He insisted that the value of writers such as Swift and Gissing was not that they were “progressive” but that they depicted the mentality of right-wing authoritarianism *from the inside*. The contrast between Orwell’s writings on Swift and those of Communists such as Rex Warner and Edgell Rickword is especially instructive (Rickword 1935; Warner 1937). According to Warner and Rickword, Swift was among the *sanest* voices of dissent in British history. Hostile to emergent capitalism by virtue of his aristocratic background, he was the first major writer to expose the way that

market competition gives rise to war, imperialism, and tyranny. Swift was by no means the hater of humanity whom Dr. Johnson had caricatured in *The Lives of the Poets*; his every political act was stimulated by a deep respect for the common people and an unquenchable thirst for freedom. “This is not the record of a misanthrope,” wrote Warner in an account of Swift’s involvement in the campaign for Irish independence, “but of a defender of liberty” (1937, 270). Orwell’s portrait of Swift could scarcely have been more different. Writing in “Politics vs. Literature: An Examination of *Gulliver’s Travels*,” he not only argued that Swift deserved his reputation for misanthropy but that his “world-view . . . only just passes the test of sanity” (1946a, 261). *Gulliver’s Travels* was the work of an extreme social conservative who believed that human beings were simply too disreputable to benefit from social change. Moreover, in his anxiety to guard against change, Swift conjured a vision of political dictatorship in Book III of *Gulliver* that uncannily foreshadowed the worst excesses of modern totalitarianism:

He [Swift] has an extraordinarily clear prevision of the spy-haunted “police State,” with its endless heresy-hunts and treason trials, all really designed to neutralize popular discontent by changing it into war hysteria. And one must remember that Swift is here inferring the whole from a quite small part, for the feeble governments of his own day did not give him illustrations ready-made. . . . There is something queerly familiar in the atmosphere of these chapters, because, mixed up with much fooling, there is a perception that one of the aims of totalitarianism is not merely to make sure that people think the right thoughts, but actually to make them *less conscious*. (1946a, 249–51)

There is one other way in which Orwell arguably tried to guy the Communists by recasting their work on the radical tradition. On most of the occasions when the Communists wrote about the history of English revolt, they were careful to emphasize that the only modern organization that could claim the mantle of Wat Tyler, Robert Owen, or William Morris was the CPGB itself—the “party of a new type” that would finally allow the English people to achieve their dream of a classless society. In his “Introduction”



to *British Pamphleteers*, the book that he coedited with Reginald Reynolds in 1948, Orwell put things rather differently: “The vision of a world of free and equal human beings . . . never materialises, but the belief in it never seems to die out. The English Diggers and Levellers . . . are links in a chain of thought which stretches from the slave revolts of antiquity, through various peasant risings and heretical sects of the Middle Ages, down to the Socialists of the nineteenth century and the Trotskyists and Anarchists of our own day” (1948, 10). Of all Orwell’s barbs against the Communists, this might well have been the one that hurt the most.

### ***The politics of commercial culture***

Orwell’s investigations into English identity were closely related to his writings on the culture industry and the media. If the work on Englishness explained why ordinary people already possessed a culture of “common decency” that inclined them toward socialism, the famous essays on boys’ comics, seaside postcards, popular newspapers, and crime fiction analyzed some of the forces that cut across or subverted that culture. Orwell examined commercial texts with an eye to the political meanings that restrained the radical instincts of the people, often concluding (as in the essay on boys’ comics) that the public was being duped by an ideology that amounted to patrician conservatism (1940a). He also analyzed the culture industry from a specifically moral perspective, insisting that an influx of violent and authoritarian material from the USA posed a grave threat to English propriety. Some of Orwell’s greatest writing can be found in the pages that he devoted to these themes, but those who see him as a sort of lone pioneer of Cultural Studies are not entirely accurate. There were a number of left-wing writers in the 1930s who saw the need to take popular culture seriously, many of them associated in one way or another with the Communist Party. Communist writers contributed short pieces on the commercial arts to various editions of *Left Review*, to the publications of the documentary film movement, and to C. Day Lewis’s influential symposium *The Mind in Chains: Socialism and the Cultural Revolution* (1937).

The fascinating thing about much of this work was that it foreshadowed the concern with “polysemy” that dominated Cultural

Studies in the 1970s after Antonio Gramsci's theory of hegemony became influential in Britain. Although the English Communists took it for granted that the products of the media were saturated in bourgeois ideology, they remained alert to those rare moments when they gave expression to a more questioning or oppositional perspective. The most distinguished work in this vein was probably Charles Madge's essay "Press, Radio and Social Consciousness" (1937) and a two-part article on the detective story that Alick West wrote for *Left Review* (1938a, 1938b). The purpose of the rest of this section is to show that both Madge and West can be seen as major sources for Orwell's writings on popular culture, even to the point (in the case of West's articles) where Orwell could almost be accused of plagiarism.

West's essays on detective fiction appeared about a year after his book *Crisis and Criticism* (1937), one of the founding texts of Marxist literary theory in Britain. Their purpose was to show that detective fiction was by no means a purely reactionary form and had often, since its beginnings in the eighteenth century, displayed an intriguing blend of what Raymond Williams might have called "emergent" and "hegemonic" elements. More precisely, West believed that detective stories had gone through three main stages of development. The first, which began in 1764 with the publication of the "first thriller" (Horace Walpole's *The Castle of Otranto*) and lasted until about 1840, reflected the intelligentsia's highly ambivalent attitude toward the romantic movement and its attack on the status quo. A novel like William Godwin's *Caleb Williams* (1794) idealized the criminal and portrayed him as a "far greater man" than the detective, yet its seditiousness was not altogether total—the detective came out on top at the end. By contrast, the dominant mood of the second phase, from approximately 1840 to 1900, was the desire to see the existing order protected at all costs. Terrified by the growth of the labor movement and the prospect of revolution, middle-class readers exulted in the spectacle of a brilliant detective solving crimes with breathtaking intellectual flair. This was the period in which Sherlock Holmes could identify a criminal simply by inspecting the knees of his trousers. By the start of the twentieth century, on the other hand, the detective

novel was beginning to revert to the ambivalence of its first period. The work of Wallace or Chesterton might not have been as seditious as *Caleb Williams*, but it often created the impression that the criminal was far more interesting than the forces of law and order. This was partly because it took great pains to conceal his identity until the closing stages of the narrative, swathing him in a certain irresistible glamor as a consequence, but it also resulted from new ways of representing the detective. The modern crime novel was not so much a tribute to individual genius as a study of bureaucracy: its attention had shifted from the inspired amateur to “mass investigation by the police” (West 1938b, 796). Moreover, it is difficult to admire the police when chance has replaced the intellect as the main means by which crimes are solved: “a man repairing telephone wires happens to look into the window of a room where the criminals think themselves unobserved, and his evidence gives a vital clue” (1938b, 796). Although West was not entirely comfortable with modern detective novels, seeing them as “finally dull, even though one cannot lay them down,” he also insisted that their sympathy toward the criminal represented a “sign of revolt against dying capitalism” (West 1938b, 797).

There were some startling similarities between West’s account of detective fiction and the one to be found in Orwell’s essays “The Detective Story” (1943) and “Raffles and Miss Blandish” (1944). Like West, Orwell set out to compare the detective novels of his own day with those of the past, though he ignored the age of Godwin and settled for a straight comparison between the “vintage” works of the nineteenth century and the “mass produced” novels of the period between 1920 and 1940. He also followed West in arguing that the main difference between the two periods was that reverence toward the detective had now given way to fascination with the criminal. If the “earlier writers . . . made their detectives into exceptionally gifted individuals, demigods for whom they felt a boundless admiration” (Orwell 1943, 339), their modern counterparts had adopted an “equivocal attitude toward crime” (Orwell 1944, 255). Although this argument was obviously not distinctive enough for us to say with any confidence that Orwell had derived it from West, the truly remarkable thing was

the way that he (Orwell) echoed West's essay when seeking to substantiate it. Where West had insisted that the modern crime writer boosts the criminal and diminishes the detective by (1) swathing the criminal in mystery by concealing the criminal's identity until the end of the book, (2) replacing the individual detective with the bureaucratic police organization, and (3) emphasizing the role of chance in the solution of crimes, Orwell wrote as follows:

The most annoying thing about the writers of modern detective stories is their constant, almost painful effort to hide the culprit's identity. (1943, 338)

[Edgar] Wallace was one of the first crime-story writers to break away from the old tradition of the private detective and make his central figure a Scotland Yard official. . . . His own ideal was the detective-inspector who catches criminals not because he is intellectually brilliant but because he is part of an all-powerful organisation. . . .

. . . in Wallace's most characteristic stories the "clue" and the "deduction" play no part. The criminal is always defeated either by an incredible coincidence, or because in some unexplained manner the police know all about the crime beforehand. (1944, 256)

The issue that divided Orwell from West was that of how these recent developments in detective fiction should be evaluated. West might have regarded cynicism toward the police as a sign that capitalist rule was under threat, but Orwell saw it as a harbinger of moral and political catastrophe. Deploying the same bluff tones that he famously used in "Inside the Whale" (1940c) to skewer W. H. Auden's reference to "necessary murder" in the poem *Spain*, he insisted that "the tendency to tolerate crime, even to admire the criminal so long as he is successful, is . . . ultimately [the] attitude that has made it possible for crime to flourish upon so large a scale" (1944, 255). His broader point, reminiscent of the contemporaneous arguments of the Frankfurt School, was that the work of a writer like James Hadley Chase expressed the same psychological outlook that had engendered the rise of fascism. The truly sinister thing about the modern crime novel was the

*gratuitousness* with which it depicted brutal acts of violence. Once the reader has immersed himself in the orgy of rapes, murders, and shootings that disfigure a book like *Raffles and Miss Blandish*, he can have little doubt that Chase's characters (and probably Chase himself) are motivated by a "love of cruelty and wickedness *for their own sakes*" (1944, 258). It was precisely this exultation in untrammelled power that Orwell would later describe in *Nineteen Eighty-Four* (1949) as the "why" rather than the "how" of totalitarian politics.

If Orwell's writings on detective fiction gave a rather pessimistic account of the likely effects of modern popular culture on the morality of ordinary people, his essay on "The Art of Donald McGill" (1941a) was more upbeat. As we shall see, his conclusion after surveying the seaside postcards of McGill and others was not only that the English working class still subscribed to a fairly strict moral code (a point that partly contradicted his own argument in "England Your England") but also that they possessed a sort of shrewd realism about moral issues that was not evident in their social superiors. What I want to suggest here is that "The Art of Donald McGill" can plausibly be seen as a critical response to the work of Charles Madge, cofounder of the Mass Observation movement, whose essay "Press, Radio and Social Consciousness" raised similar issues but came to very different conclusions.<sup>9</sup> Although Madge's essay touched on a number of aspects of media culture, its main purpose was to draw attention to an element of political ambiguity in popular newspapers. On the one hand, Madge insisted, it is clearly the case that the economic structure of the press has deeply reactionary consequences. Since the newspapers are owned by large commercial organizations that can only turn a profit by selling advertising space, it is more or less inevitable that the ideas they express will be those of the ruling class. However, the need to secure a mass readership has also obliged the newspapers to cultivate a mental atmosphere (to use one of Orwell's favorite phrases) that goes some way toward subverting those ideas. The leitmotif of the popular newspaper in Britain is a "vulgar and sensational" ethos that reflects the unconscious preoccupation with sex and violence that characterizes the

working-class mind in modern conditions. When bourgeois ideology is juxtaposed against this ethos, when the prejudices of the ruling class are absorbed into the “strange poetry” of the proletarian unconscious, there is every chance (or so Madge believed) that the readers will adopt a critical distance from what they read and begin to question the shibboleths of capitalist society: “The newspaper-reader is temporarily in the state described by Coleridge as a ‘willing suspension of disbelief’ . . . it means we regard it [i.e., the news] not as objective fact, but as poetic fact. It also means that when we stop reading, the news ceases to have the same hard, inescapable force that the objective fact has; it becomes a poetic memory, affecting our feelings but not our actions” (Madge 1937, 151). In a sort of sub-Reichian twist to his argument, Madge also seemed to believe that cheap newspapers would ultimately have a dramatic effect on working-class morality. By appealing to desires that would otherwise have remained suppressed, they create “formidable psychological reserves of dissatisfaction” that must one day subvert the ethic of self-denial on which capitalism depends (150). Moreover, in their endless search for new sources of sensationalism, they frequently dredge up material that portrays the existing system in a more morbid light than ever:

Even when ostensibly benevolent, capitalism cannot help being the bearer of evils; and even when, vice versa, it is simply out to win a big circulation, the newspaper cannot help being a good influence, and eventually an influence subversive of itself. Though it may carry political propaganda and exploiter-class advertisement on one page, on another it will print the story of a starving, unemployed family, simply because it is a good human story. The class-basis of the proprietors determines the politics; the class-basis of the readers at least helps to determine the rest of the news. (152)

Whereas Madge saw the “sensational and vulgar” material at the heart of the popular media as a sort of cultural acid, profoundly subversive in its capacity to corrode bourgeois ideology and tempt ordinary people away from their puritanism, Orwell interpreted it in a much more conservative fashion. The first few

pages of “The Art of Donald McGill” lovingly described the most common scenarios in McGill’s postcards, making it clear that McGill took a “humorous” but not “witty” delight in satirizing society’s most morally esteemed activities—getting married, having children, behaving respectfully toward the old. Yet the clear message of the essay was that the orgy of garish colors, porcine women, and obscene jokes in seaside postcards was not so much a challenge to established morality as a way of reaffirming it. McGill’s satires only strike us as funny because they take the continued existence of a “fairly strict moral code” for granted: “This [a postcard satirizing a newly married couple] is obscene . . . but it is not immoral. Its implication—and this is just the implication *Esquire* or the *New Yorker* would avoid at all costs—is that marriage is something profoundly exciting and important, the biggest event in the average human being’s life” (1941a, 189). Moreover, the element of vulgarity in his work reflected a deep moral wisdom that is common among working people but rare in the middle and upper classes. By sending up established values in a way that did very little to subvert them, McGill evoked the deep shades of grey that invariably characterize our moral outlook—the fact that each of us is simultaneously Don Quixote (a principled defender of moral order) as well as Sancho Panza (“a little fat man” who values luxury and personal survival more than moral honor). Orwell seemed to believe that this sense of moral complexity is especially pronounced among ordinary people, who translate it into a determination both to observe existing standards but not to be irrationally beholden to them. As such, the moral vision of the working class is similar to the one enunciated in chapter 7 of *Ecclesiastes*: “Be not righteous over much . . . why shouldst thou destroy thyself? Be not overmuch wicked, neither be thou foolish” (Quoted in Orwell 1941a, 194). Orwell also endorsed the expression in McGill’s postcards of a fairly bleak vision of human limitations, one that again reflected the innate good sense of working people. When McGill peopled his drawings with images of physical grotesquerie, including women with enormous bottoms and pathetic husbands with emaciated torsos and false teeth, he was effectively

expressing the proletarian conviction that “youth and adventure—almost, indeed, individual life—end with marriage” (189). The scion of a middle- or upper-class home might still regard life after the age of twenty-five as an opportunity for personal fulfillment; but his working-class counterpart will probably abandon all his personal ambitions once the first flush of youth has passed. To be working class and married is to live almost solely for one’s children.

Although “The Art of Donald McGill” is not an especially political essay, it is easy to see why a socialist of Orwell’s stamp might have been attracted to the “worldview” expressed in McGill’s postcards. As a writer who was always suspicious of the doctrine of human perfectibility, not least because it had infected the socialist movement with the sort of intolerance that ultimately gave rise to Stalinism, Orwell perhaps saw the element of working-class fatalism in seaside postcards as a useful antidote to utopian illusions. Since he seems to have spent much of his life torturing himself over “sins both real and imagined” (Bowker 2003, 2), there was also perhaps a sense in which he regarded the socialist movement as a potent source of guilt. With its Manichaeian habit of portraying the workers as wholly good and the bosses as irredeemably evil (along with its insistence that socialism would expunge all forms of selfishness from human nature), the socialist movement must sometimes have struck Orwell as an intolerably demanding moral taskmaster, continually reminding him of his own failure to behave with absolute integrity. In this context, McGill’s Ecclesiastean moral code must have provided reassuring evidence that the working class—socialism’s main constituency—would never allow itself to be tempted by the inhumane strictures of a black and white morality.

It is also worth mentioning one other intriguing parallel between Orwell’s writings on popular culture and those of the British Communists, not least because it goes some way toward enhancing our understanding of the influences on *Nineteen Eighty-Four*. Apart from analyzing the commercial culture of his own day, Orwell famously turned his attention to the question of how the culture industry would be organized in the totalitarian age



that he believed to be imminent. Since genuine creativity can only occur in conditions of relative freedom, Orwell argued, it is likely that totalitarian societies will tend to organize cultural production along Fordist lines. Instead of cultural texts being produced by individual authors, they will increasingly be assembled from the work of disparate people who have each been assigned a limited and precisely defined task—planning, writing, editing, and so on. There might even come a time when texts are almost completely produced by machines. It was ideas such as these, rehearsed for the first time in his great essay “The Prevention of Literature” (1946b), that Orwell used to such good effect when devising The Ministry of Truth in *Nineteen Eighty-Four*. What is sometimes overlooked is that he based his predictions on developments that had already taken place in the media industries of the democratic nations. In particular, Orwell pointed to the existence of a complex division of labor in Hollywood studios, noting that “The Disney films . . . are produced by what is essentially a factory process, the work being done partly mechanically and partly by teams of artists who have to subordinate their individual styles” (92). While Orwell could have derived his understanding of the film industry from a variety of sources, it is worth noting that an emphasis on Hollywood production techniques had featured in the Marxist account of film that Arthur Calder-Marshall tried to develop in the 1930s. In his essay “The Film Industry” (1937), a comparatively sophisticated attempt to explore the political economy of film, Calder-Marshall argued that Hollywood can only retain the loyalty of its artists by rationalizing the process of production to the point where the individual artists have no real conception of the film they are working on:

If the systematic dilution of originality were presented to the artist crudely, he would revolt against it. For this reason the making of a film is put into the hands not of a single artist, but of a number of executives. The scenarist is given full rope: he is encouraged to put all his creative power into his scenario. Then the scenario is handed over to another executive who emasculates it. This happens at every stage in the production: so that the final film represents the resultant of

the progressive, creative forces, countered by the forces of reaction. (Calder-Marshall 1937, 64)

In a dialogue on “The Proletarian Writer,” which Orwell and Desmond Hawkins contributed to BBC radio in December 1940, Calder-Marshall was one of four Marxist writers whom Orwell mentioned by name—the others were Christopher Caudwell, Alec Brown, and Edward Upward (Orwell and Hawkins 1970, 58). Since Calder-Marshall was by no means a Communist writer of the first rank, the fact that he stuck in Orwell’s mind lends credence to the view that his writings on film were among the sources that Orwell drew on (consciously or otherwise), while sketching his nightmare vision of cultural manipulation in *Nineteen Eighty-Four*.

### **Conclusion**

Orwell’s writings on Englishness, literature, and popular culture were not the only ones to be influenced by the work of the British cultural Marxists. Elsewhere I try to show that many other aspects of his work, including his proposals for cultural reform and his theory of totalitarianism, also reflected the concerns of his Communist contemporaries.<sup>10</sup> The recognition that Orwell was *positively* influenced by the Communists has a number of important implications. In the first place, it goes some way toward undermining his reputation for crude anti-Communism. No one would deny that Orwell was deeply hostile to Communism as a political force, and that he was often treated appallingly by members of the CPGB, yet his work also contained a surprisingly large number of passages that acknowledged the value both of individual Communists and of certain aspects of Communist strategy. No balanced account of Orwell’s work should disregard his characteristically scrupulous recognition that his political enemies occasionally had their merits. Moreover, Orwell’s reworking of Communist ideas reminds us that the British Left has never been quite as prone to internecine warfare as is sometimes supposed. The political hostility among Communists, Trotskyists, and other trends has indeed been considerable; but the Left’s obsessively cerebral culture has usually ensured that ideas from right across

the revolutionary spectrum have received a fair hearing. Orwell's work bears witness to the truth that the Left's hunger for knowledge has often outweighed its taste for conflict.

*Swansea*  
*Great Britain*

#### NOTES

1. For an account of Eileen Blair's poem "End of the Century: 1984," see Taylor 2003, 375–76. John Newsinger explores the Trotskyist influence on Orwell in Newsinger 2001.

2. For a history of this generation of Communist critics, see Bounds 2003. See also Margolies 1979, Prakash 1994, Behrend 1998, and Paananen 2000.

3. For an account of the Communist attempt to trace the history of the "English radical tradition," see Bounds 2003, 179–247.

4. It goes without saying that Dimitrov saw no role in the People's Front for Trotskyists. For Orwell's account of the baleful consequences of Soviet anti-Trotskyism during the Spanish Civil War, see Orwell 1938.

5. For accounts of the influence of Dimitrov's speech on the British Communists, see Klugmann 1979 and Heinemann 1985.

6. This paragraph summarizes the argument of Rickword in his introduction to *Handbook of Freedom* (1939).

7. For a useful overview of the writings of this group of Communist scientists, see Roberts 1997, chap. 5.

8. There is a useful summary of *The World, the Flesh and the Devil* in Wood 1959, 138–39.

9. Madge's essay appeared in C. Day Lewis's symposium *The Mind in Chains* (1937). Orwell referred to this book in his essay "Inside the Whale" (1940c, 572).

10. See my forthcoming book *Orwell and Culture: The Dialogue with British Marxism*.

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## **The Socialist Market Economy and Other Theoretical Issues—NST Symposium and China Study Tour June 2007**

A conference on the theme “Socialist Market Economy and Other Theoretical Issues” cosponsored by *Nature, Society, and Thought*, the Academy of Marxism of the Chinese Academy of Social Sciences, and the Central Translation and Compilation Bureau of the Central Committee of the Communist Party of China was held in Beijing 2–3 June 2007. The conference was embedded in a two-week study tour that included visits to Beijing, Guilin, Lijiang, and sub-Himalayan areas of Yunnan province inhabited by the Naxi and Tibetan peoples.

Apart from the conference and visits to cultural and historical sites, the tour itinerary included meetings with university and public school staff, a village council leader, the All-China Women’s Federation, and tours of a Volkswagen plant and a Japanese owned factory that produced a yogurt-like product in Shanghai. In Shanghai, we were also hosted by the Shanghai Party School of the Communist Party of China, which had prepared a PowerPoint presentation of their view of China’s development strategy.

One of the high points of the tour was the visit to a public school in a poor Naxi village near the city of Lijiang. Although it was on a Saturday, the school children, wearing their red bandanas, lined the entrance to the school grounds greeting us with applause as we entered. They then assembled in front of us and broke out with smiles as we sang “Old MacDonald Had a Farm,” to which they reciprocated with Chinese songs. Before we went to the areas inhabited by ethnic minorities, our Chinese guides stressed the importance of our

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being sensitive to the customs of minority peoples, in one case, for example, to avoid physical contact in initial greetings. In the case of the visit to the school in the Naxi village, our guides suggested that we bring gifts of school supplies, which we did, supplementing them with some volley balls.

The shift in China and Vietnam from centralized planned economies to socialist-oriented economies and their subsequent high rate of economic development has not been without economic dislocations. Leftist critics of this path of socialist development seize upon these dislocations to condemn the entire process as a counter-revolutionary restoration of capitalism in these countries. In doing so, they cite one negative phenomenon after another, ignoring the dialectical character of the process of social transformation. For example, they deplore the abandonment in China of the barefoot doctor system of free medical care, a system in which the “barefoot doctors” generally had less medical training than a nurse and little access to needed pharmaceutical products. Today health care is increasingly provided by fully trained medical doctors with access to a developing pharmaceutical industry. Life expectancy in China did not decrease, as it did in Russia, but is increasing. All employers in the public and private sector have to provide health insurance to their employees. Families with incomes below the poverty line have free access to medical care. By 2010, the entire population will be covered by health insurance. These critics, citing unemployment caused by the closing of factories with antiquated technology, similarly ignore the aid given to these workers and the temporary nature of the unemployment, just as they ignore the doubling of average wage every ten years during the past three decades.

During our travels in China, we noted the absence of the kind of abject poverty and “hooverilles” that one encounters in cities like São Paulo or Mumbai. Equally impressive was the attention paid to the development of basic infrastructure. As I traveled through the sub-Himalayas in Yunnan province, nowhere did I encounter a “dead zone” on my China Mobile phone.

Despite its achievements, China’s path of economic development is laden with its contradictions. In the papers that follow, we will be able to see how they are dealing with them.



# Opening Address: The Socialist Market Economy

Wu Enyuan

Today the scholars from the Central Translation and Compilation Bureau, the Academy of Marxism and Institute of Finance and Trade of the Chinese Academy of Social Sciences (CASS), and the People's University of China come together with scholars from the United States, Germany, Great Britain, Canada, Turkey, Ireland, and other countries to discuss the theory and practice of socialist market economies. A remark in the Analects of Confucius can best express what I feel now: "It is such a delight to have friends coming from afar!" On behalf of Academy of Marxism of CASS, I would like to extend my welcome to all of you.

The topic "Socialist Market Economy" is very significant. The economies of some socialist countries developed slowly when they thought that there were no commodities and markets under the socialist system. Other economies collapsed when in past years they adopted blindly the Western market economic system with disregard for their own situations and advocated privatization. So there is great significance for us in discussing our views of theory and practice related to this question.

With Chinese reform and opening-up to the world, we deepen the understanding of the socialist market economy. Deng Xiaoping, general designer of Chinese reform, said:

The essential disparity between socialism and capitalism does not rest on the ratio of plan to market. Planning does

not equal socialism, for capitalism has plans. Market does not equal capitalism, for socialism has markets. Both planning and markets are tools to develop the economy.

The Fourteenth Congress of the Communist Party of China (CPC) formally put forward the concept of establishing and perfecting our country's socialist market economy..

The development of our socialist market economy in the past thirty years has brought about a great change in our economic life:

1. The relations of production have been established with the state-owned economy remaining dominant and diverse ownerships developing side by side. Multiownership structure conforms to the development of the productive forces at the primary stage of socialism, which is a hopeful sign.

2. The market system has been basically formed. The market infrastructure has been improved. The monopolized sector and regional blockades are gradually being broken. Positive effects are achieved by rectifying the market economic order.

3. A new macrocontrol and regulatory system of the national economy has been set up, with measures ranging from the state mandatory plan and credit scale control to the comprehensive development plan or fiscal and monetary policies. Indirect regulation begins to play a main role. The emphasis of macroregulation shifts from intervention in the microeconomy to regulation of the total quantity of supply and demand, and from the expansion of speed and quantity to the improvement of quality, performance, and structure. More attention is paid to the coordinated development of the economy and society

4. Reform of the field of distribution is being gradually intensified. This pattern will continue. Distribution according to labor remains dominant, and diverse distribution modes coexist.

5. A social security system has been established. This social security system, consisting mainly of insurance for the elderly, age and unemployment and health insurance, is structured so as to be independent of enterprises.

6. Institutional reform and transformation of government functions have been carried forward.

In conclusion, by implementing a preliminary system of the socialist market economy, China has become a developing market economy country.

In the process of building a socialist market economy with Chinese characteristics, the following breakthroughs in theory have been made: First, we have broken through the absolute theory that planning is the basic characteristic of socialism. Traditional socialist theory totally puts planning, public ownership, and distribution according to labor as the basic characteristics of socialism. But now we recognize that both planning and the market are tools to build a socialist market economy.

Second, we no longer hold to the theory that a system of public ownership can be equated to its material forms. We recognize that in an economic system of public ownership, the means of production are owned by the whole people or by collectives, but the forms of its materialization are diverse.

Third, the theory that only private ownership is compatible with a market economy has been demolished. We recognize that public ownership is also compatible with markets. Moreover, not only is the distribution of resources optimized, but also that (through the combination of public ownership and the market) the polarization resulting from private ownership and insufficient effective demand can be avoided.

Fourth, we reject the Western economic theory that the function of state-owned enterprises is to offset market deficiency. The function of state-owned enterprises is not only to offset market deficiency but also to provide, together with collectively owned enterprises, the infrastructure of socialism. It guarantees that not only the superstructure and political power of society are socialist, but also that distribution is according to labor, and that political power belongs to the people. Western theory does not call for state-owned and collectively owned enterprises, no common prosperity for the whole people.

For almost thirty years, China has been setting up a preliminary system of a socialist market economy, but is still facing many problems.

1. The governmental function still cannot meet demands of reform at the new stage. At present, such aspects as administrative management, transparency and unification of policy, decrease of

administrative approval rights and microeconomic interference, public service for society, and economy should be promoted.

2. The reform of large-scale state-owned enterprises is more difficult than before. Such problems as unreasonable mechanisms, heavy social loans, and poor ability to innovate are still serious, especially in the unprofitable enterprises. Such aspects as operating mechanisms, pricing standards, and service quality of large-scale enterprise in monopolized sectors do not meet the demands of society as a whole and the individual consumers. Intensifying reform of the national economy is still the key factor in reforming the whole economic system.

3. The social credit system is very imperfect and chaos prevails in the market. The legal system is inadequate in providing supervision to rationalize the market order.

4. Loopholes in the social security system exist; old-age, unemployment, and health insurance systems are imperfect. The gap in income distribution is wide.

Moreover, obstacles between city and village are still severe. Many discriminatory policies face peasant-workers in cities in employment, education, residence, social security, etc.

Disagreements are widespread on the key points of theory innovation. For example, to what extent should the economy be regulated by state planning? Some scholars think that we need more planning; others, on the contrary, think that we should rely more on the market. As to the form of public ownership, some scholars think that all enterprises with stock systems (such as diverse stock-ownership companies) are publicly owned enterprises; others disagree on this point. Some scholars insist that only private ownership is compatible for the economy and that the national economy would be better off with less public ownership. Other scholars think that the ratio of public economy to national economy does not matter as long as the economy develops and people's living level increases. They believe that the number of state-owned enterprises does not determine whether the market economy belongs to socialism or capitalism.

We must continue to investigate all the problems mentioned here. In my opinion, public ownership should dominate the national

economy in quantity and quality if the economy of socialism is to achieve more rapid, continuous, and scientific development than that of capitalism and bring prosperity to the whole of society. Only in this way can the direction of the Chinese economy continue in the path of reform, and the socialist nature of the market economy be ensured.

One experience is fundamental in the process of thirty years of development of the socialist market economy in China. It is that China should move forward along a socialist road with Chinese characteristics and should be firmly guided by Marxism. Only in this way will a strong, prosperous, democratic, civilized, and harmonious country be built and a great revitalization of the Chinese nation be realized. It is our lofty duty to continue to research the new problems of the socialist market economy and the law of socialist development with Chinese characteristics. I believe that this conference is significant for us to deepen the understanding of the socialist market economy, to remove the misunderstanding of the socialist market economy with Chinese characteristics, to strengthen the confidence in building socialist modernization with Chinese characteristics, and to promote the theory of socialism and Marxism with Chinese characteristics.

Finally, I wish the conference a complete success and wish all of you a pleasant stay during the meeting.

*Deputy President of the Academy of Marxism  
of the Chinese Academy of Social Sciences.*

*Translated by Wang Zhongbao*

# Charting a Course to a New Global Economy

Patrick Loy

## *The need for a new global economic order*

We live in a world dominated by global capitalism. It has long become obvious that by its very logic capitalism will never lead to the kind of world for which socialists and other activists have been waging a prolonged struggle. Not only does capitalism provide few solutions to the many pressing issues of our time, such as the threats of ecological disaster, famine, and technology-impelled mass destruction (to name just three), but it actually exacerbates many of these problems. The need for a global economic system grounded in socialist principles has never been clearer.

Currently, the world is composed of an interconnected web of national economies consisting of assorted forms of capitalism, various types of market socialism, and other kinds of mixed economies. The international institutions that regulate the interplay between the states in this system primarily serve the interests of the advanced capitalist countries and thereby promote gross inequalities among classes, as well as among nations. By design, they exhibit little, if any, democratic decision-making, and instead make their decisions about the fate of the world and its economy behind closed doors.

I will briefly explore the notion that the concept of market socialism, along with what I will call the “global democracy movement,” could be the keys ultimately to create the kind of

global economic system that would represent a turning point in the realization of a socialist world order.

***The potential of the global democracy movement***

As numerous socialist writers have affirmed, socialism and democracy must go hand in hand. Moreover, there is clearly a worldwide yearning for democracy. Thanks in large part to modern telecommunications and mass media, people across the globe have become acutely aware of the disparities in vast wealth and quality of life that exist among both social classes and nations. Consequently, they want to have a say regarding the social, political, and economic forces that shape their lives. As David Schweickart says in a recent issue of *Nature, Society, and Thought*, “the driving force of the present era is the democratic impulse. . . . It is a hugely important *contingent* fact that democracy works” (2004, 297)

Historically, the success of democratic movements has been mostly limited to local and national domains where specific governing institutions could be targeted that have some accountability to the people. The lack of accountability of international institutions has made it difficult for mass movements to achieve success at the global level. The massive demonstrations of the past decade against the undemocratic policies of the international organizations that control so much of our lives, such as the World Trade Organization (WTO), World Bank and International Monetary Fund (IMF), however, have shown that there is significant potential in the fledgling global democracy movement. The massive protest which successfully stopped the meeting of the WTO in Seattle in 1999 gave rise to the World Social Forum and to several mass demonstrations across the globe against the policies of the international financial and trade institutions. The fact that these protests took place, along with the huge worldwide demonstrations against the Iraq war, is evidence that people can become energized to challenge the existing world order.

The future trajectory of the budding global democracy movement is unclear. Historically, there are ebbs and flows in antisystemic movements, and at the moment there seems to be a lull in activity. Part of the current abeyance might be because of a lack of specific action programs to energize and activate people. The slogan “another world is possible” has been embraced by many activists

in the movement, but the concrete programmatic actions needed to get to this better world are not very clear. It is to this end that I am offering some programmatic suggestions as to how we might begin charting a course to achieve the kind of world we want. It is heartening that many of the activists over the past decade have engaged in both local and international struggles, and it seems clear that the fight must continue at both of these levels. The ideas submitted below call for simultaneous actions on two fronts: replacing capitalism with market socialism at the national level, and building democratic institutions at the international level to form the infrastructure of a new global economy.

### ***Replacing capitalism with market socialism***

Market socialism seems to be a viable transitional economic form for capitalist countries. Several archetypical models have been proposed, many of which have significant merit. I will present here a brief outline of one such model, but let me emphasize that different countries could adopt diverse versions of market socialism, and it would have little impact on the two-front strategy that I suggested above.

A promising theoretical framework for market socialism is advanced in John Roemer's book, *A Future for Socialism*, and elaborated by Terry Boswell and Christopher Chase-Dunn in *The Spiral of Capitalism and Socialism: Toward Global Democracy*. This model uses existing economic structures (albeit highly reformed) and seems to provide the best way to insure that everyone benefits from the wealth generated by the national economy. Also, it facilitates both a rational, democratically controlled investment process, and a needed reform of the way transnational corporations (TNCs) do business in the global economy.

Building on Roemer's work, Boswell's and Chase-Dunn's blueprint of market socialism is centered on a "coupon" stock market and public banking system. Workers' income consists of two parts: the direct income from their labor, in the form of wage or salary, and profits obtained through the coupon market.

In this system every adult at a certain age is issued an equal number of nontransferable coupons to be used *only* to purchase



shares of mutual funds. The mutual funds invest the coupons (i.e., buy shares) in a set of various enterprises. Coupons may be withdrawn from a mutual fund and invested in another, but there are tight restrictions about coupon ownership. Coupons cannot be sold for money, coupons cannot be purchased with money (thus, rich people cannot buy up poor peoples' coupons), and coupons cannot be inherited (upon death, they are returned to the state treasury).

Through the coupon market, individuals receive a portion of the profits from the mutual fund portfolios in which they are invested. Therefore, everyone shares in the surplus produced by society. And, since coupons are nontransferable, everyone has at least some lifetime income.

When a mutual fund invests coupons in a firm, that firm exchanges the coupons to the state treasury for investment funds. Public firms thereby derive some of their financing through the coupon stock market. They also obtain a large proportion through loans from public investment banks, whose capital comes from savings. The socialist government plays a strong role in investment planning via differential interest rates.

Public firms are monitored for efficiency and profit maximization by the public investment banks that supply their financing, and by the coupon stock market. The boards of directors for public firms and banks are chosen democratically by investors on a strictly one vote per investor basis, thereby eliminating any preference for wealth.

***Distributing wealth to developing countries through stock ownership***

Boswell and Chase-Dunn introduce a scheme into their market socialism model that, over time, could have a significant impact on the developing countries in which TNCs operate. For each year of employment, TNC employees in those countries are given a certain number of shares in the company for which they work. As share owners, workers are represented on the board of directors through elections. This type of direct ownership would advance the benefits of productivity increases to workers, giving them a direct incentive to increase efficiency.

In this scheme, employees of TNCs in developing countries would directly benefit from high profits generated in their homeland. Over time, TNC employee share ownership would expedite the expansion of capital holdings to the developing countries. This would enable these countries to invest more in education and training, thereby increasing worker productivity, which, in turn, would lead to higher wages.

This employee ownership scheme immediately raises the incomes of workers without raising their wages, which would be of great importance for Third World development. It would allow wages to go up as worker productivity goes up, thus avoiding the capital flight and inflation that might result from immediate substantial wage increases.

### ***Building democratic international institutions***

Some voices in the global democracy movement are calling for the elimination of many of the existing international organizations, particularly the World Bank, IMF and WTO, because they serve the interests of TNCs and the wealthy elite rather than the world's people. While these specific organizations may or may not be beyond the bounds of meaningful reforms, there is a need for such institutions (operating on socialist principles) to regulate aspects of the global economy, and help begin the long process of redistributing wealth and promoting sustainable development.

Boswell and Chase-Dunn propose a socialist world bank which would be operated by a world federal system. World bank policies would strongly support the creation of state socialist investment banks within each nation. The relationship between the world bank and the state investment banks would be similar to the present Federal Reserve System in the United States. The world bank would have great influence over interest rates, and discounted loans to state investment banks could be used for long-term economic development, especially in developing countries. Lower interest rates could be used to increase investment in progressive social and environmental projects. The world bank would discount loans that invest in the developing countries in ways that link domestic suppliers with TNCs, which would help develop local economies.

There is also a need for a democratic international governing institution to administer important social functions, such as supporting international peacekeeping activities, providing certain “public goods” best delivered or coordinated globally (such as health programs), and defining and enforcing global standards for human rights and environmental conditions. This institution would be similar in concept to the United Nations. Of course the current UN is highly flawed, and heavily influenced by the interests of the advanced capitalist countries, especially the United States. However, one could imagine a much more democratic international body—perhaps a highly reformed UN, or a new body to replace it.

### **Conclusion**

Moving toward a socialist world order is a pressing priority. Consequently, more discussion about transitional forms of local and global economic structures needs to take place, along with analyzing potential scenarios of action. We have briefly looked at the idea of converting national capitalist economies to market socialism, and establishing democratic international institutions as the infrastructure of a new global economy. This game plan, and others, need to be carefully analyzed and debated. Regardless of which plan is implemented, a protracted struggle involving a broad array of progressive forces, including the global democracy movement, will be required to accomplish the task. These forces will need to become energized around a vision of a new world order and work toward specific objectives at both the local and international levels.

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# **Fundamental Characteristics of the Socialist Market Economy**

**Cheng Enfu**

It is very significant that the Chinese central government, drawing on domestic resources, has not only recently put forward the policies of scientific development and the improvement of creativity but has also advanced the construction of a harmonious socialist society. The idea of a harmonious society embodies six areas—politics, law, culture, institutions, society, and ecology—all of which should be democratic, law-governed, equal and fair, creditable and friendly, full of vitality, safe and orderly, and harmonious between humans and nature.

The Chinese economy has increased rapidly since the reform and opening-up in 1978. The Chinese gross domestic product (GDP) in 1978 was RMB 364.5 billion [7 renminbi—abbreviated RMB—was approximately equal to one U.S. dollar at the time this article went to press—Ed.]. It grew to RMB 18.396 trillion in 2005. The average annual growth rate grew 9.7 percent from 1978 to 2005. The GDP in 2005 was more than fifty times that of 1978 (adjusted to 1978 values); taking the GDP in 1978 as 100, the GDP in 2005 was 1204.4, that is, more than twelve times as much as in 1978. Chinese GDP per capita was RMB 381, and increased to RMB 14,040 in 2005, more than thirty-six times as much as in 1978; adjusted to 1978 values, the per capita GDP in 2005 (878.9) is more than eight times as much as in 1978 (100).

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The Chinese population grew rapidly from 962.59 million in 1978 to 1.308 billion in 2005, an increase of 344.97 million. The Chinese GDP in 2006 increased by 11.1 percent over the past year, to RMB 21.087 trillion. Chinese foreign exchange reserves reached 1.333 trillion U.S. dollars by the end of June 2007. The total value of imports and exports of the last half year of 2007 reached 980.93 billion, and is predicted to exceed 2000 billion for the whole year. Although China has made great achievements, we should note many unharmonious phenomena in our society, try to understand their causes, and then look for institutions and mechanisms to resolve them; we must try to construct a harmonious socialism in institutions and in nature. Four types of economic arrangements are urgently needed to establish the economic basis of a harmonious society.

### ***Predominance of publicly owned property***

Of the various types of property systems, publicly owned property should be the principal one. Privately owned property, both domestic and foreign, should be developed on the condition that the publicly owned economy is the main part, both in quality and quantity.

Socialism should not be idle talk. As Deng Xiaoping said, socialism has two principles: one is that the economies with various types of properties develop together, of which publicly owned property is a main part. The other is that all people become rich; polarization does not exist. The two principles are deliberately ignored in some descriptions of reform, especially when it is deliberately denied that the main component of the entire economy is the publicly owned sector, which is the fundamental property relationship in a socialist economic system. In some mass media and academic conferences, we see it alleged that the privately owned sector has been the base of the national economy. In fact, the central government has made the decision that the privately owned economy should develop together with the publicly owned economy on the condition that the public sector—not the private sector—is the main part of the whole economy.

Jiang Zemin, in his article “Strengthening and Promoting the Economic Base of Socialism” in the third volume of his *Selected*

*Works*, emphasizes that “if the publicly owned economy (of which the state-owned sector is the core) does not form the economic infrastructure of socialism, the leading role of the Communist Party and the socialist superstructure would lack a material economic infrastructure. Officials at all levels, especially high-ranking cadres, must have a clear and profound recognition of this point. Small decreases in the proportion of public ownership should be limited and have the precondition that they not affect the status of publicly owned enterprises playing the dominant role as the main part of the national economy. Every province, district, and city must manage and control many large and middle-scale enterprises to regulate the domestic economy and social development.”

The proportion of the Chinese nonpublicly owned economy has surpassed 50 percent, according to new statistics. The proportion of the domestic privately owned economy of Mainland China is about 38 percent of GDP; the proportion of the GDP from foreign direct investment (FDI) and the investments from Hong Kong, Macao, and Taiwan is 15 percent of the GDP of Mainland China; bringing the total to about 65 percent of GDP. However, the proportion of the privately owned economy is still increasing, while that of the publicly owned economy is still decreasing. We observe that although the state-owned economy’s control ability weakened quickly, and state-owned enterprises in some provinces and cities have even disappeared, such reform is praised as a model for China.

Domestic and foreign academic circles think that the capital structure, employment structure, GDP structure, tax structure, foreign trade structure, etc. should be based on *a system of various types of property ownership with publicly owned property being the main component*. Various kinds of ownership, main and supplementary, should continue while they develop together. While the private sector should not simply be prevented from becoming stronger, too high a proportion of private ownership would necessarily result in a series of economic phenomena such as unemployment, ultimately resulting in lack of social harmony. This is the cause for ten years of retreat in the Soviet Union and Eastern Europe, ten years of losses in Latin America, ten years of slow development in Japan, and ten years of stagnation in Europe and the United States during the 1990s.

The forty-nine poorest countries (also called the Third World) did not become richer; they became even poorer according to United Nations standards. Joseph E. Stiglitz also considers that neoliberal theory and policy, including the myth of private ownership, led to economic disharmony and various economic crises in the Soviet Union, Eastern Europe, and Latin America.

The whole world, including China, must urgently rethink and overcome neoliberal conservative ideas to revive and develop their economies. It is necessary for us to criticize neoliberalism in order to maintain the reform direction of the socialist market economy.

***Multisector distribution system in which distribution according to labor is the main part***

In our multisector distribution system, distribution according to labor is the dominant part—that is, the income is basically according to the quality and quantity of labor. The owners in the various sectors obtain their distributions on the basis of their property ownership. Economic fairness can promote economic efficiency, and economic fairness is as important as economic efficiency.

The market economy plays an important role in resource allocation, especially in competitive areas, but it is imperfect and unable to maintain a comprehensive macroeconomic balance, a correct relationship between competition and monopoly, protection of resources and environment, and a socially fair distribution, among other aspects of distribution.

The Chinese income gap, as measured by the Gini coefficient of 0.46 (calculated with five equal populations), is very wide, much wider than in some developed countries. The polarization in possession of social wealth, however, should cause most concern. Why did the gap in income and wealth become wider in past years, in spite of opposition and controls? The reason was ignorance of the fact that the ownership reform, including the granting or sale of public assets cheaply, must result in this tendency of distribution. Here the central government must pay more attention to social equality and fairness. Measures should be taken, both in property and distribution, to reach distribution harmony by raising low

incomes, enlarging middle incomes, adjusting high incomes, and prohibiting illegal income.

***Market system structures regulated and controlled by the state***

The state regulates and controls the structures of the market system, which is comprised of various levels and directions. The market plays a full and basic role in resource allocation, and at the same time the state plays a full role in regulating and controlling the market with transparency, democracy, and efficiency.

Scientific reform of the market is different from indiscriminate reform. Chinese reform of socialist self-perfectibility is not a simple reform of the market, but a reform with the aim of constructing a socialist market system. The central government's documents never said that our country was practicing a simple reform of the market. Moreover, the reform and opening-up that the documents mention are always connected with insisting on four fundamental principles (the socialist road, people's democratic governance, the CPC's leading role, and the foundations of Marxism-Leninism and Mao Zedong Thought). The adjective *socialist* is always inserted before the words "market economy." The main content of the word *socialist* is that the publicly owned economy is the main part of whole economy. The "reform to market" to which some papers and books refer is an abbreviation that omits the entire meaning of "reform to socialist market." Advocates of neoliberalism utilize this deceptive abbreviation in order to distort and mislead about the true nature of the reform. The market economy is close to 80 percent of the total economy. Some wish to reduce all economic life to the market, and think that the market is all-powerful—they even wish to market social life, cultural life, and state political life, to remove planning from the socialist market economy and from every realm of the economy and society. It is ridiculous to be infatuated with the market and to abandon planning or regard planning as a forbidden zone. As a whole, we should respect the market, but not be addicted to the market. We should not be infatuated with planning, either, but at the same time not abandon planning, which are the human innovative measures for regulating the economy.



I agree with Professor Liu Guoguang, the distinguished Chinese economist, that plans of regulation under the conditions of the socialist market economy are not command plans, but guiding and strategic plans. The Chinese Eleventh Five-year Plan has been changed to the Chinese Eleventh Five-year Project, but the project is the same as the plan, which is also a guiding and strategic plan. The project should include essential targets, programs, and command tasks that must be completed in addition to guiding policy, such as large-scale projects of middle-length term, high technology and top scientific progress, environmental regulation, etc. There should be command or constraint indices even in short-term plans of investment against economic cycles and in the measures of regulation and control for smoothing economic cycles, such as policies of finance, taxation, and money. So we should not completely reject command plans. At present, planning consists of merely assembling a collection of proposals, where few targets and tasks that actually must be carried out are stipulated, and there is no accountability regarding whether or not plans are implemented. This type of planning needs improvement.

The central government is now emphasizing continuing the reform in scientific and coordinated manner. The failure of state regulation must be made up for by the good functioning of market regulation, and the failure of market regulation should be compensated for by state regulation. A dual regulation mechanism is needed in which the market plays a fundamental role, and the state plays a guiding role in the national economy. Social and economic harmony may come into being this way. Why are there such phenomena as appeals to higher levels of government, riots, crimes, and social imbalance? Simply because state regulation is lacking or not appropriate. Some serious questions exist in the manager-buyout of publicly owned enterprises in past years. These questions give rise to discontent and disharmony in every social class. Thus the lag in, and injudiciousness of, governmental regulation is clearly established. Nobody denies that property reform should be practiced, but the law of the market should not be subjectively violated.

***Opening-up and retaining reliance on domestic forces***

The opening-up of the Chinese economy is multidirectional, emphasizing self-determination. This means that the relation between development by depending on internal resources and importing foreign technology and capital should be dealt with appropriately. Economic development is to be promoted mainly by domestic needs; foreign needs should be only a helpful supplement. The mode of economic opening-up should be changed from simply increasing quantity to the pursuit of efficiency and quality.

We should be concerned that our opening-up process is moving toward the mode of depending more and more on foreign countries. The degree of dependence on Chinese foreign trade (the ratio of the total value of imports and exports to GDP) tends to increase: it was only 9.7 percent in 1978, but reached 65.6 percent in 2006, of which 36.1 percent were exports and 29.5 percent imports. The main part of Chinese foreign trade is assembling, with the beginning and end outside the country, so the domestic sphere does not add much additional value. The proportion of the assembling trade to the total value of Chinese exports is 54.7 percent; the proportion of general trade is only 41.3 percent. Foreign-funded enterprises, however, have played a main role in Chinese foreign trade. The proportion of imports and exports by state-owned enterprises to the total was 70.2 percent in 1994; for others it was 29.8 percent including foreign-funded and collective-owned enterprises. The state-owned enterprises' share went down to 28.6 percent, but the foreign-funded enterprises rose to 57.5 percent in 2004. The total value of Chinese high and new technology exports increased from \$US24.7 billion to \$US218.25 billion during 1999–2005, which is a 7.8-times increase, but the exports of Chinese high and new technology depend seriously on foreign countries. The proportion of exports of general trade is decreasing and the proportion of exports in the assembling trade is increasing. The value of high and new technology exports in the assembling trade in 2002 is \$US60.63 billion (89.3 percent of the total value of high and new technology exports), an increase of 20 percent in comparison with 1993. The foreign-funded enterprises play a dominant role in the export of high and new technology, their proportion of the total

high and new technology exports was 82.2 percent in 2002. The actual investment value of foreign-only investment enterprises surpassed other foreign direct investment in 2001. It is still increasing in proportion and quantity, and is becoming dominant. The value of FDI was \$US60.325 billion in 2005, including 42.961 billion of foreign-only direct investment. While foreign investment brings about an increase on job opportunities, it squeezes out the development of national enterprises.

Foreign investment enterprises have achieved monopoly positions in car manufacture, communication manufacture, and the cosmetics industry, etc. and gained huge profits from China.

Therefore we should develop national enterprise groups and national transnational companies that control shareholding, technology, and trademarks, especially famous brands based on a combination of comparative advantage and competitive advantage. We should emphasize promoting and producing an advantage in intellectual property, so that China becomes a world manufacturing plant, not a world assembly plant, as soon as possible, completing the transition from a country of huge trade to a country of strong trade and a strong economy. Opening-up concepts and paths to technological development that protect foreign intellectual property only, and not the creation of self-owned intellectual property are unwise. Also unwise are the notions that national enterprises should only be merged and acquired by foreign international companies, rather than the contrary, that foreign capital, technology, and trademarks are to be imported continuously, and that only the positive results of research and development institutions belonging to transnational enterprises in China are to be highlighted, not the negative effects. This thinking (“crawling opening-up”) caters to the technology strategy of dominant countries’ colonialism, and does not promote national economic quality and the coordinated development of the domestic and foreign economies.

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*Translated by Wang Zhongbao*

# **The Labor Movement and Higher Education: Developments in China and Greece in the Context of Globalization**

**Alexandros Dagkas**

In the European Union, the Bologna Declaration, signed in June 1999, was a focused attempt to restructure education with the adoption of a common framework for the flexible organization and functioning of institutions of higher education. One immediate goal was, and still is, the adjustment of public or state-owned universities to the more general reformations of the European economy and of labor relations. These changes reflect the philosophy that there is a natural link between public universities and the demands of economic development that dictates a change of profile to a type of organization characterized by the criteria of the business world. Abandoning the classical premise that university education is a public good freely offered by the state, the responsibility for ensuring the financing of public universities is transferred to the academic community and the cost of financing to the consumers, the students (Aspragkathos 2002, 57–61). Such a framework effaces the differences between the public and private sector and creates possibilities for capital investment. One result of this new perception of education is the adaptation of programs of studies and their harmonization on a different level, that of training, which would dissociate the degree from the profession. According to this new train of thought, the main characteristics of this new

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university reality, in the framework of the knowledge society, will be open accessibility, open entrance, and an open exit as well, meaning that graduating and receiving a degree will no longer be linked to official recognition and professional security. The new type of graduates will have a scientific education for which they will be obliged to receive retraining in the future (“lifelong training”). This adjustment was in fact already a reality, with the evaluation of the professional competence of degree holders based on their actual qualifications, which were determined by the labor market (Varoufakis 2001, 51–58). The argument proposed by the new theories on education was, therefore, from the beginning, that the adaptation of studies to the demands of the labor market would ensure profitable employment for university graduates.

Greece, a small country with a population of twelve million, is a member of the European Union with a notable place in the capitalist system (ranked thirty-sixth in the global economy index based on gross national product). Nevertheless it has not yet adapted to the aforementioned directives on education. The resistance expressed by various social and political forces has established Greece as the final bastion of the traditional public university. Greece’s academic community has unequivocally rejected the government’s proposal to institute private higher education alongside the public sector.

Into an environment of protests and demonstrations by students and professors, often ending in violence, come the reverberations of the cataclysmic changes that have occurred in China in the area of higher education over the past ten years. The institution of the private university was introduced into the education system of the People’s Republic of China in the early 1990s, initially with only a few institutions, each with a handful of students, and has resulted (remarkably, like so much else in China) in over twelve hundred institutions, of which some fifty have as many as thirty-five thousand students (Lin 2006, 16–17). Such numbers are, of course, inconceivable by European standards.

The policy of the Communist Party of China, setting aside its traditional perceptions with regard to education, favored an amendment to state legislation that welcomed the founding of

private universities, thus opening the higher education system to competition as well as encouraging higher education institutions to export their education services abroad (Weifang 2001, 22–24). We see that in this area a labor movement with a long revolutionary tradition, with a history of struggle and sacrifice extending from the revolts in Guangzhou and Shanghai (1925–1927) to the establishment of the People’s Republic in 1949 (de Beauvoir 1957), decisively overcame the crisis of communism in the early 1990s and has focused on searching for other roads to socialism.

Other Communist regimes in Eastern and Southeast Asia have also chosen the road of reformation and its implementation in education. In the Socialist Republic of Vietnam, the Communist Party of Vietnam, which had been the first government in the region to adopt a policy linking the socialist economy to the market (1986), in 1989 extended the measure to education, enacting the necessary legislative amendments to allow the operation of private universities (Huong and Fry 2002, 127–41). In 2003, large amounts of capital were invested in the founding of the first foreign private university. Today there are about fifty private universities, representing 30 percent of all higher education institutions in the country. The government is concerned as much with having control of these investments as with maintaining a healthy competitiveness between the public and the private sector (Le and Ashwill 2004, 16–17).

In the Lao People’s Democratic Republic, the Lao People’s Revolutionary Party also wished to introduce reforms into their country’s economy. The financing model adopted was that of Mongolia, which depends on mandatory fees paid by the students of the public university system. In 1989, the Asian Development Bank financed the extension of primary and secondary education in Laos into the private sector, with plans to do the same in higher education as well (Weidman 1997). The only exception to the rule in the Communist regimes of this region is the Workers’ Party of Korea. No private education exists in the Democratic People’s Republic of Korea (DPRK 2007).

In Greece, the labor movement has a tradition of revolutionary action. The Communist Party of Greece is a comparatively

small party of fewer than ten thousand members, with little electoral support (in the Greek and European parliamentary elections it receives less than 10 percent of the vote). Nevertheless, since its founding in 1918, it has put down deep cultural roots in the life of the country. During the fascist occupation of Greece (1941–1944), it led the resistance movement, uniting two million patriots in a national front against the conquerors. It fell from power in 1944 due to unsuccessful tactical maneuvers, and then lost again in the struggle against foreign intervention during the civil war that lasted from 1947 until 1949 (Kousoulas 1965). The Greek Communist Party survived the dramatic developments of the 1990s that battered the Communist parties of Europe and continued its political action with an ideology based on classic Marxist-Leninist doctrine. It denounced the reformist spirit of the positions of other progressive parties as a betrayal of the working class. By periodically organizing international meetings Communist parties in Athens, it aimed to become a pole of the international labor movement.

The persistence of the Greek Communist Party in defending its Marxist-Leninist character did not impede the development of a pragmatic strategy with regard to Greek cultural identity. This strategy respects the religious feeling that has deep roots in much of the population, and people's devotion to the Greek language, tradition, habits, prejudices, and superstitions. It does not attempt to change these behaviors, nor to develop them on a higher theoretical or ideological level, but rather to turn them against what is foreign. It combats the introduction of foreign universities into the country with the argument that strengthening interconnections and networks between private educational institutions is associated with an intellectual and cultural penetration of the source of the production of knowledge—that is, Greek higher education—thus intensifying ideological alienation. The Party's enemies condemn this stance as nationalistic.

The Communist Party of Greece is ideologically opposed to the European Union's directives for a reform of university education. The Party sees the proposed changes as reactionary, because they will reinforce the role of the university in the reproduction of

the dominant ideology. The ideological propaganda that is developed within universities promotes European business interests as a social good, thereby entrenching the idea of class collaboration. With the financing of education on a cost-result basis, the human factor in this field is degraded to the level of the material constituents of production, and knowledge is regarded as a business. The arguments of the theoreticians of reform in support of “lifelong training” are incorporated into the theories of the “postindustrial society” and the “postcapitalist society.” This heralds the return of neopositivist theories. These ideas accept no objective referent in science and deny that knowledge is a progression toward the acquisition of truth. There are no natural laws or natural causality, only opinions and decisions according to criteria. When the criteria change, the search ought to return to a new starting point to look for new terms.

The active degradation and reduction of the majority of university studies to the level of short-term standardized knowledge, of “training” that needs to be endlessly repeated (“lifelong”) because its content has become irrelevant, is ideologically invested with the theory of the explosion of scientific knowledge. Knowledge, according to these views, is renewed so rapidly that it can never be mastered. The only solution is to pursue every new development in each field of knowledge, first and foremost in technology, thereby turning education into an unending series of short training sessions. The acquisition of knowledge, however, is a complex process involving the reflection of reality on the human consciousness. Within this evolution, older knowledge may prove to be partial, but never loses its value. In the history of the sciences, there is dialectical continuity, without absolute dissociations. It is an ongoing process fed by the contradictions that emerge within the various scientific domains and that, being transcended, lead to a new situation, to a qualitative change. This qualitative change, however, still contains elements belonging to the previous stage. Scientific knowledge, after all, is not a commodity that can wear out.

The political position of the Greek Communist Party regarding the changes to the most vital parameters of higher education views the directives of the European Union as tactics leading to



the perversion of the social duty of science. The only result of the capitalist appropriation of science will be to increase corporate profits. In spite of the European Union's vaunted "society of knowledge" slogan, knowledge is not being used for the improvement of living conditions but rather for the destruction of the natural environment and the militarization of research. Capitalism may have revolutionized the production process, but with this antisocial use, science has neither freed humanity from hard labor and deprivation nor ensured all peoples a good standard of living. The social role of science and higher education presupposes a correlation between university education and production. It must, however, also take into account the real social needs, the improvement of material and intellectual standards, instead of becoming an accessory of the market economy connected to antisocial requirements of capitalist production.

What differentiates university education from simple professional training is its link to research. By the end of the nineteenth century, however, university research had begun to overshadow the initial teaching role of higher education, and it was subsequently displaced by business research centers. In Greece, the country's low ranking in the European Union's distribution of research projects means that state funding for research amounts to only one half of one percent of the gross national product, a fact with repercussions on university research. The prediction is that, in spite of claims to the contrary, as long as science is organized according to the demands of business, the proposal for university reform will only broaden the gap between Greek universities and renowned foreign institutions (KKE 2005).

Quite reasonably, the classic Marxist-Leninist line that the Greek Communist Party insisted on following after 1991 maintained serious reservations regarding the reforms that were implemented in the Communist regimes in Asia. Indeed, it maintained a critical attitude toward its Chinese counterpart during the 1990s and demonstrated its concern over China's chosen course in relation to globalization. It foresaw that it was inevitable, with the way China was heading, that the new state of affairs would lead to social and political change that would ineluctably result in a

radical upheaval in production relations. Yet it then adopted a wait-and-see position toward the changes that the Chinese Communists were implementing, aware of the magnitude of the problems to be solved and recognizing that, at the very least, China's initiation into the market economy was happening in a well-coordinated manner under the guidance of the Communist Party of China.

With regard to the Communist parties of Vietnam and Laos and their policies, the Greek Communist Party has not formulated a position. These governing parties clearly had an obligation to implement measures that favored the people, after decades of tribulations created by war and the U.S. economic embargo.

One problem in private education requires explanation. In Greece, the Communist Party denounces attempts to distort the traditional character of the university and its quality as a public service. In its relations with other Communist parties, on the other hand, it witnesses a tactic that leads to a different government practice.

One hypothetical response to the issue accepts the objective and the method, namely that the Communist regimes negotiate with global capitalism using a common language, the language of the marketplace. This commonly accepted code of communication includes the provision of services focused on education and, particularly, the treating of education as an exportable product.

Moreover, in relation to the politically motivated choice of commodification of social goods, which includes the acceptance of private higher education in Communist-led countries, a critical element is the degree to which the practice is implemented. Any disturbance of the balance between public and private universities hinders the future return of education to its social context when circumstances permit. By contrast, control of the new economic orientations, which the Chinese insist they have, guarantees that the situation in any sector, including private higher education, can be reversed at any time they choose.

A final issue that should be discussed is the magnitude of the consequences deriving from the political decision to commodify education. The strategy of exploiting interimperialist conflicts affects the orientation of political decisions relating to the economy

and the issue of privatizing higher education in particular. In the game of cost and benefit, foresight in handling the situation on the part of Communist regimes is a guarantee against any impact on the national sovereignty of each state. It also serves to neutralize, in the future, the power of capital, which in this case was acquired through its action in the education market.

### **Conclusion**

Since the collapse of the Soviet bloc, in the period 1989–1991, the Communist regimes in Eastern and Southeast Asia, with the exception of North Korea, have exhibited a certain pragmatism toward capitalism, and have thus piloted tactical changes throughout every sphere of economic and social life. Immediate social problems, as well as political projections, left the Communist Party of China with nowhere to go but forward, and in the process it altered the public character of higher education in the People's Republic of China. By contrast, the Communist Party of Greece, moving within the reality of the European Union, has had the luxury of maintaining, in its strategy and tactics, a denunciatory persona, persisting in the proposition of unrelenting conflict with the opponent classes and promoting its vision of radical change. Regarding the proposed creation of a private sector in higher education in Greece, it adopted a stance based on principle, without bothering to discuss any socially useful implementation of the measure. With regard to other dimensions of social life linked to Greek cultural identity, it maintained a flexible attitude, hoping for the development of a national front against foreign cultural intervention that would favor the creation of a social front against European capitalism.

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# **The Future of China's Socialist Market Economy**

**Yang Jinhai**

If we take 1973 as the beginning of the reform and opening-up of the Chinese economy, we can say that the Chinese socialist market economy is over thirty years old. During this time, China's economy developed gradually and became world renowned for its achievements. With the advent of the twenty-first century, China's economic development has accelerated, especially during the last four years in which the annual growth rate has exceeded 10 percent. Of course, the development of China's socialist market economy faces many challenges, both domestic and foreign. The future of China's economy has become a burning question both inside and outside China. Although this question can be considered from many perspectives, I will analyze it from a philosophical standpoint, since my field is philosophy.

## ***China's market economy will retain its socialist orientation***

Friends of China often worry that adoption of the market economy will cause China to abandon socialism. As a Chinese scholar who was born and raised in China and who loves my country and its people, I want to thank you, my friends, for your concern, and tell you firmly that this fear is unfounded.

First and foremost, China's profound commitment to socialism guarantees that its market economy will retain its socialist

orientation. China has over thirty years of experience in the pioneering work of combining the market economy with socialism. History will remember this as a great contribution of the Chinese people to the development of humanity, one which China would never abandon rashly.

After more than thirty years of trial and error, socialism as we know it today is quite different from traditional socialism, and our understanding of market economies differs dramatically from the traditional market economy. Traditional socialism focuses on the structure of the social system. It insists that socialism should adopt public ownership of the means of production, a planned economy, and egalitarian distribution according to labor. It ignores the function of the social system, paying no attention to whether the system functions in a way that conforms to people's values. By contrast, socialism with Chinese characteristics emphasizes the function of the social system. It insists that the purpose of socialism is to emancipate and develop the productive forces, to eliminate exploitation and class conflict, and to achieve a common prosperity. It recognizes that society's internal structure must be regulated and reformed continually if the goals of socialism are to be achieved. Therefore, it regards the most important reform to be substitution of the market economy for the original planned economy, but the market economy must be strictly governed by the overarching goal of achieving socialism.

Traditional socialism links the market economy with capitalism and the planned economy with socialism. The Chinese people, after reflecting on their experiences of building socialism, realize that markets and planning are both measures for regulating economic development, that the market economy does not belong exclusively to capitalism, and that as a means of exchanging products and allocating resources, the market can be integrated not only with capitalism but with socialism as well. History shows that the market economy is an important component of human civilization. Markets existed under feudalism and even in ancient society, but market activities did not constitute the major part of people's economic lives.

Under capitalism, the market economy developed fully and became the main arena of economic activity. Since socialist societies evolve from capitalist societies, allowing the market to function in the primary stage of socialism conforms to the laws of social development and the will of the masses. It also brings many economic and social benefits. Of course, we realize that the spontaneous development of a market economy brings negative effects and even threatens socialism's existence. Thus we believe that the market economy must be confined within certain limits.

Second, the advanced cultural, political, and economic systems of socialism provide a firm basis for consciously regulating and controlling the market economy. From Marxism we learn that a capitalist market economy's essential function is to serve the interests of capital. Even when capitalist governments try to restrict the market's negative effects, it is not done from a commitment to socialist values. It is, rather, an attempt to placate workers in their struggle for better conditions and prevent them from turning to socialism. Regulation of the market economy in capitalist countries emerged only in the 1930s, and it occurred in response to political pressures caused by the development of socialist economic planning. In contrast, China's socialist market economy is dominated by the people, and it serves the people of our society. It is a system in which people consciously dominate the market through their government, which acts in accordance with socialist principles. Socialism's core principles are to establish equality, social justice, and prosperity, to emancipate the people and help them achieve all-round personal development. By adhering to socialism's core values, China can manage the market economy to maximize both social justice and economic prosperity. Both theory and practice have shown that the socialist market economy is capable of giving due consideration to efficiency, social justice, and equality.

Of course, in the day-to-day operations of a socialist market economy, efficiency and equality will never be balanced perfectly. There will never be perfect efficiency or perfect equality. Balance between the two is maintained only through constant adjustments. Efficiency and equality are like the two wheels of a cart or

the two wings of a bird, both of them are indispensable. To create a well-functioning society, it is necessary to adjust the relationship between them regularly and keep them in a state of balance. Efficiency and equality form a unity in contradiction. They are unified through appropriate forms of inequality such as reasonable income differentials and opportunities for workers to ascend the income ladder. The right amount of inequality is a prerequisite of efficiency, but inequality must be managed properly to ensure social justice. If the gap between the lowest and highest incomes is too small, workers will have no incentive to improve their skills and productivity and thereby increase their incomes. If the income gap is too large, there will be too much inequality, and this will result in social unrest. Small gaps lead to equalitarianism, and this is unfair to people with high capabilities. Large gaps depress people's enthusiasm for improving themselves and striving to get ahead. In this aspect, the relationship between efficiency and equality is dialectical.

In the beginning of China's reform and opening-up, the main problem was excessive egalitarianism and low efficiency. We mustered our whole strength to deal with the problem of efficiency, utilizing the mechanism of the market to create income differentials, and allowing a small section of people to become rich first. The situation today is quite different. There are now huge income differences, and the problem of inequality has come to the forefront. We must now muster our strength to deal with the problem of inequality. By establishing a proper system of finance and revenue, we can reduce inequality gradually, keep it within reasonable bounds, and realize common prosperity step by step. Neither increasing inequality excessively nor reducing it excessively is right. What is correct is to allow a degree of inequality compatible with justice and social stability so that society may continue to move forward in a steady, constructive way.

Third, China's experience during the last thirty years shows that combining socialism with a market economy promotes rapid and stable socioeconomic development. We



believe that as China's economy and society develop, we will become more skillful at adapting the market economy to serve the cause of socialism.

Finally, in today's China, there is a consensus among people that only the socialist market economy can make China a wealthy, democratic, and civilized country. To abandon the socialist path is not a realistic option for China. How long the socialist market economy will continue depends on the requirements of sound practice. To paraphrase Deng Xiaoping: the elementary stage of socialism we are currently in will last at least one hundred years; thus, the socialist market economy will continue for at least that long. Whether the market economy will still exist in the middle or advanced stages of socialist society will be decided by people in those stages according to society's needs at the time.

### ***China's socialist market economy will be improved***

After more than thirty years of development, the socialist market economy has taken definite shape in China. This system consists of its socialist principles, goals, and values, and its internal mechanism. Since problems related to socialist principles have already been discussed above, I will discuss the internal mechanism here. During the last thirty years, we have reformed the old economic structure and gradually put a new one in its place. This structure, which is different not only from the traditional pattern of socialism, but also from the Western pattern of capitalism, is known as socialism with Chinese characteristics. Building this new form of socialism is inevitably a process of trial and error which we must be improved upon ceaselessly. In the future, we will try to improve socialism with Chinese characteristics in three ways.

First, the ownership structure of China's socialist market economy will be improved. According to Marxism, ownership of the means of production constitutes the basis of a society's relations of production and its economic system. The form of ownership shapes the nature of the superstructure and leaves its mark on the whole society. One of the most important differences between socialism and capitalism is that socialism establishes public

ownership of the means of production in order to develop the productive forces. Presently, public ownership plays the dominant role in China's economic system, but diverse forms of ownership are developing alongside the public sector. This is what we call socialism with Chinese characteristics.

China's economic system is rooted our country's history. After the successful revolution in 1949, China, using the Soviet Union as a model, implemented pure public ownership of the means of production, which led to slow development and stagnation of the economy and society. Praxis has taught us that in order to build socialism in an economically and culturally backward country like China, it is not practical to establish pure public ownership of the means of production. Instead we had to implement diverse forms of ownership according to the specific development of the productive forces in different regions and economic sectors. This is the basic experience drawn from the praxis of reform by the Chinese people during more than thirty years, and it is the basic principle to which we will adhere for a long time to come.

According to this line of reasoning, China's future reform must be based on an economic system in which public ownership of the means of production plays a dominant role; however, the specific form of public ownership that is best for China has not yet been determined. Public ownership is still the foundation of the economic system and the leading form of ownership in our country, but public ownership takes many forms. It includes state ownership, collective ownership, and mixed public/private ownership. Public ownership exists alongside diverse forms of ownership that are interdependent, interpenetrating, and competing. Continuing reform is needed to expand and strengthen public ownership.

Second, with the development of China's economy, the market system will be further improved, and the state's capacity for directing macroeconomic development will be strengthened. The development program issued by China in 2005 put forth a series of measures for ensuring that the market plays a key role in allocating resources and encouraging their efficient use. China will gradually establish a modern enterprise system, a modern system

of property rights, and a market-based pricing mechanism that will reflect supply and demand. China will transform government functions by withdrawing government from direct involvement in the market and focusing it instead on guidance and regulation. For example, China's government will no longer be the main investor in economic construction, nor will it set prices for resources such as coal. Instead, it will establish appropriate policies for promoting healthy and stable economic development and improving the state's system of macroeconomic regulations. At the same time, China will balance domestic development with opening-up to the outside world. It will gradually increase its openness to foreign investment and competition, and it will improve its ability to promote development under conditions of expanding openness.

One important aspect of transforming government functions is to improve the public financing system in order to achieve equality in the delivery of basic public services. China will increase its investments in public services such as education, sanitation, culture, employment and reemployment training, social security, environmental protection, public infrastructure, and public safety. Reform of the public financing system will improve China's ability to supply public goods and services.

Third, China's income distribution system will be improved in order to create a socially just order of income distribution. Although a variety of distribution methods will continue to coexist, China will retain distribution according to labor as the dominant mode of income distribution. It will strengthen its ability to regulate distribution through macroscopic measures and pay more attention to equality and social justice. This will include increasing the earnings of low-income groups, gradually increasing the number of middle-income earners, regulating excessively high incomes, eliminating illegal income, and promoting general prosperity. China will try to increase the earnings of low-income groups by implementing a number of measures such as promoting employment, establishing long-term mechanisms to increase farmers' incomes, improving the minimum wage system and the mechanisms for raising incomes, and upgrading the social security system. At the same time, China will improve the income

distribution system in which labor, capital, technology, managerial expertise, and other production sectors receive income in proportion to their contributions. In addition, China will improve the uniform compensation plan for government employees and ensure that duties and ranks are properly matched. China will expedite the reform of institutions and adopt income distribution systems appropriate for each type of institution. Furthermore, China will standardize incomes of operators and managers of state-owned enterprises to ensure that the income ratio of managers to workers is reasonable. Moreover, China will speed up reform of monopoly industries, adjust the distribution of funds between the state and enterprises, and implement a system of limits on excessive incomes. Finally, China will implement a personal income tax and strengthen the collection, administration, and regulation of income. There is much that needs to be done to improve China's socialist market economy. The three aspects discussed above are among the most important steps that will be taken.

### ***Opportunities and challenges for the future development of China's economy***

The twenty-first century is the century in which the Chinese people will realize their dream of achieving modernization. The development of China in this century can be divided into three stages. By 2010, the Gross Domestic Product (GDP) of the year 2000 will be doubled; by 2020, the GDP of 2010 will be doubled; and by 2050, modernization will be fundamentally complete. Therefore, the time between now and 2020 will be an important strategic period full of opportunities for China's economic and social development. It will also be a time of intensifying social conflicts.

In the next five to fifteen years, China's economic and social development will exhibit five trends, which also represent five opportunities. First, the consumption patterns of Chinese society will change greatly. Consumption among the urban population will shift its focus from basic needs, such as food and clothing, to personal development. Consumption among the rural population will undergo a shift from quantity to quality. The Engel coefficient

[a measure of the proportion of income that goes into food—Ed.] is decreasing by 1 percent per year in China. For example, from 2000 to 2005, the Engel coefficient for urban areas decreased from 39.4 percent to 36.7 percent; The Engel coefficient for rural areas has decreased from 49.1 percent to 45.5 percent. Growing areas of consumption, such as housing, automobiles, communications, and tourism will continue to expand and become powerful driving forces in the development of China's economy and society.

Second, the pace of industrial restructuring and urbanization will accelerate. With the development of economic globalization and the progress of science and technology, the structure of industry will undergo further transformation. Consumption patterns will be improved by industrialization and urbanization. The synergy between industrial restructuring and urbanization will propel China's economic and social development. There is plenty of room for the expansion of economic demand in China due to the country's uniquely large population of 1.3 billion. China's rural population alone is over 700 million. If its level of consumption rises significantly, the development of China's economy will be that much more dramatic. Great opportunities for development are also created by industrialization and urbanization. In 2005, China's urban population was 43 percent of the total population. Since 2000, it has been increasing by more than 1 percent a year. Therefore, it is certain that China will experience huge increases in economic demand in the future.

Third, the rapid advance of science and technology will offer unprecedented opportunities for China's economy to develop quickly. The lead time for applying new technologies is decreasing. Technologies such as wireless, broadband, digital, and nanotechnology will start a new industrial revolution. The development of biotechnology has given rise to a new biotech industry, which is developing neck and neck with the information technology industry. Nanotechnology will dramatically alter manufacturing and our daily lives. All of this will provide unprecedented historical opportunities for China to make use of its advantages as a late starter and improve its capacity for independent innovation.

Fourth, further improvement of the socialist market economy will create a better environment for China's economic development. With the deepening of reform, the function of the market in allocating resources will be given full play, continually bringing new energy to economic development. There are a number of problems we have not solved, such as problems related to rural areas, currency exchange rates, and stockholders' rights. In the future, we will do our best to solve these problems in order to provide a better environment for the development of China's economy.

Fifth, economic globalization will give China the chance to participate in international cooperation and competition. Structural changes already undergone by the international economy will continue. With the quickening pace of global integration in trade, investment, and finance, as well as the continuing regional integration of the world economy, the restructuring and transfer of components of international production, especially the transfer of high tech industry, will speed up. After long years of development, China now has the ability to participate in economic globalization in a broad, multilayered, omnidirectional way. As long as we take advantage of the opportunities that globalization offers, we can also reap the benefits.

Therefore, the next five to fifteen years will be the golden age of China's development. At the same time, rapid development entails that we will have to solve in several decades problems that developed Western countries have had centuries with which to deal. This will be a time in which social conflicts come to the forefront. We will face challenges in at least four areas.

First, we will face serious problems with natural resources and the environment. Due to rapid development, China will enter a period in which high consumption of resources and increasing pollution will place more pressure on resources and the environment. In 2000, China's GDP was quadruple that of 1978, and efforts are underway to quadruple the GDP of 2000 by 2020. Obviously, unless the pattern of economic growth is transformed, the gross consumption of resources

and pollution of the environment will also quadruple. Many developing countries are industrializing, and competition for resources is becoming more intense. In the last century, 15 percent of developing countries entered the industrial stage of development. In the twenty-first century, 85 percent of developing countries will follow the same path, which will place enormous demands on the world's resources. As a result, prices of important resources like petroleum will skyrocket. China is undergoing rapid economic growth at a time of looming scarcity of resources. The daunting challenge China faces is to alleviate the intense conflict between accelerating economic growth and the resulting stresses on resources and the environment. For example, China's large output of steel, cement, aluminum, and other important products puts a tremendous strain on resources. Since China's per capita resources are only 79 percent of the world average, mitigation of the conflict among competing interests in economic growth, resource conservation, and preservation of the environment is an important problem with which China will have to deal in the immediate future.

Second, social contradictions are conspicuous and will sharpen in coming years. Employment pressures in China will be high for a long time to come because of the huge population base. Sixteen million children are born in China every year. At the same time, China will encounter a new problem. It is developing into an aged society sooner than expected. This can be called the problem of growing old before growing rich. China is a developing country, yet because of the influence of traditional culture, the Chinese are good at preserving health. Thus the average life expectancy in China has reached 71.8 years—almost the same as that of moderately developed countries. Although this is a good thing, it puts enormous pressures on the society. Generally, the aging of society occurs when per capita GDP reaches \$6000, whereas in China it has happened with a per capita GDP of just over \$1000. In today's China, more than 7 percent of the population is over age sixty-five, and more than 10 percent is over sixty. The early arrival of an

aged society will increase the pressure on China's social security system, and bring about a series of new social problems, such as the lack of an effective social service system, unfair income distribution, and gaps in income and social services between urban and rural areas as well as between regions. Such problems can easily lead to social unrest. At the same time, China's reforms will be entering a new stage, and many serious problems will have to be addressed. Since existing problems can lead to new problems, even small mistakes can lead to bigger predicaments and social instability.

Third, international competition is becoming more intense. The spread of economic globalization and the rapid advance of science and technology mean both opportunities and challenges for China. Economic globalization is a bilateral rather than unilateral process. China cannot participate in globalization without opening its internal markets. Thus a problem arises in that our domestic industries have to compete internationally at the same time that our international competitors are moving their operations within China's borders. Economic competition is primarily competition in the development of science and technology. In this respect, China's competitive ability is weak. The general level of science and technology in modern China is low, and the degree of dependence on foreign science and technology reaches 50 percent, which results in China's subjection to other countries in key technologies. Presently, the contribution of high tech industry to the total value of China's industrial output is less than thirty percent, compared with 60 to 70 percent in developed countries. Most of China's core technologies are imported. For example, in 2002, 95 percent of China's semiconductor manufacturing facilities and 70 percent of automobile plants were dependent on imported technology. Funding for research and development in China is limited. Only \$23.8 billion was allocated in 2004, which is just one-thirteenth of the U.S. figure. If this situation is not changed, the gap between China and the developed countries will widen, and it will be impossible for China to achieve modernization.



Fourth, there is trouble lurking for China's economic security. Although China's economic importance continues to grow, its economy is increasingly linked to and dependent on the world economy. Imports and exports account for 70 percent of China's GDP, so even if there is a small fluctuation in world economic demand, China will be affected. Furthermore, China's financial system is still relatively weak, and it lacks the ability to evade risk effectively. Our dependence on foreign energy supplies and other resources is increasing. This affects not only the international supply chain, bringing about price fluctuations, it also affects our political, diplomatic, and military position vis-à-vis the rest of the world. If we do not deal with these problems effectively, our economy and national security will be endangered.

Nevertheless, China faces more opportunities than challenges. We already have the economic base and political system necessary for dealing with our problems and moving forward. As long as we stay on the right development path, take the proper political measures, and diligently plan ahead, we will achieve victory and lay a solid foundation for building a moderately prosperous society in all respects.

***The guiding principle and main objective of China's socioeconomic development***

The guiding principle of China's socioeconomic development in the next five to fifteen years is to apply the scientific outlook on development. The scientific outlook on development can be summarized by five principles and six "musts." The five principles are: put people first; transform our attitude to development; innovate the mode of development; improve the quality of development, and implement the "five balances" (i.e., balance urban and rural development; balance development among regions; balance economic and social development; balance development of people and nature; balance domestic development and opening-up to the outside world). The six "musts" are: we must keep the economy developing stably and rapidly; we must accelerate efforts to transform the pattern of economic growth; we must increase our

capacity for independent innovation; we must balance development among urban areas and rural areas and among regions; we must strengthen the construction of a harmonious socialist society; and we must deepen reform and opening-up gradually. These ideas constitute an integrated system of thought on development.

First, the goal of development should be to put people first. This means development should promote the fundamental interests of the overwhelming majority of the Chinese people, and it should be driven by the enthusiasm and creativity of the masses. We should put greater emphasis on the development of people rather than increasing material wealth; we should stress social justice and try to settle conflicts of interest among the masses. We should improve the masses' living standards, and help them benefit from reform and opening-up by creating a shared prosperity. We must put the whole society on the path of civilized development leading to full production, a better life for the people, and a healthy natural environment. Realization of these goals would be a milestone in Chinese history.

Second, our concept of development includes the goal of comprehensive development. We should abolish the overly narrow view of development that focuses exclusively on economic growth and establish a new concept emphasizing the harmonious development of the economy and society, of human beings and nature. To put it more vividly, the cake must not only be large, but also well made, and it should be divided with perfect fairness. Bearing this in mind, we need to incorporate three requirements—to quicken the pace of economic growth, to improve the quality of development, and to allocate the fruits of development rationally—into our concept of economic and social development, and give each requirement equal importance. Building a harmonious socialist society should be included in our idea of development, and the harmonious society should be based on the “four constructions”: economic construction, political construction, cultural construction, and social construction.

Third, our concept of development includes a new path to industrialization. We should promote economic growth by transforming the pattern of growth. Adjusting and optimizing the

economic system should be the main point of economic development. We must create forms of growth and consumption which conserve resources and are environmentally friendly. We should build a sustainable national economy that ensures high output, low resource consumption, and low discharge of pollutants.

Fourth, our strategy should embody the goal of harmonious development in which the masses share the fruits of building a moderately prosperous society. We should promote harmonious development among urban areas, rural areas, and regions. Building a new socialist countryside should be the guiding principle for issues related to agriculture, rural areas, and farmers. We must promote interactive and harmonious development among China's eastern, middle, and western regions.

Fifth, regarding the driving forces of development, we consider the deepening of systematic reform to be the main force promoting economic and social development. Reform and transformation of the government's functions should continue, and its ability to promote creativity and innovation should be improved.

China's economic development in the next five to fifteen years has seven aspects, each with its own set of objectives. Those aspects are economic growth, natural resources and the environment, independent innovation, social development, reform and opening-up, the people's living standards, and democracy and the legal system. Since time is limited, I will not explain them one by one, but only stress the two most important points.

First, China has set two quantitative goals of the highest significance: to double the per capita GDP of the year 2000 by 2010, and to cut energy consumption per unit of GDP by 20 percent from 2006 to 2010. GDP is an important measure of a country's economic strength, and a guide for macroeconomic policy. Since today's China is in a stage of rapid economic growth, the doubling of GDP should not be difficult to achieve. More difficult is the problem of optimizing the economic structure, improving economic benefits, and reducing resource consumption. China is a resource-poor country with a fragile ecosystem and a quickening pace of urbanization. We face the difficult task of achieving rapid economic growth while reducing resource consumption and

minimizing environmental damage. Toward these ends, we have set the goal of cutting energy consumption per unit of GDP by 20 percent from 2006 to 2010, which requires a 4 percent decrease per year. Many of China's provinces did not meet this objective in 2006. This is a serious problem, and further measures must be taken to solve it.

Second, China's development should embody the idea of taking all factors into account and leaving nothing and no one behind. To begin with, China must balance the development of urban and rural areas. The development of agriculture and rural areas and improving the living conditions of the rural population are the most serious problems holding back China's economic and social development. Farmers and rural areas, rather than urban areas, are the key to realizing the goal of a moderately prosperous society. In the past, we promoted industrialization by allowing a "scissors gap" between agriculture and industry. This policy favored industry by raising the prices of manufactured goods while lowering those of agricultural products. As a result, there was uneven development between the rural and urban economies and a dual price structure in which prices for agricultural products were depressed. Low prices for agricultural products, inadequate subsidies for farmers, a growing rural population, and steady decreases in farmland made life hard for farmers and kept their productivity low. To solve these problems, we must balance development between urban and rural areas and carry out the principle of industry nurturing agriculture. At the same time, we must view the development of agriculture in the larger context of the whole nation's economic development, put the prosperity of rural areas at the forefront of the process of building a harmonious socialist society, and make the goal of increasing farmers' incomes an important part of the larger project of national income distribution and redistribution. Furthermore, we should implement the principle of urban areas supporting rural areas in order to reduce the "scissors gap" and accelerate the development of agriculture. Toward these ends, the Chinese government implemented the policy of "giving more to, taking less from, and relaxing control over," rural areas and farmers. We have already made many

changes so that we are “taking less from” farmers; however, we have a long way to go in other respects. Therefore, during the next few years we will devote more resources to constructing public infrastructure in the rural areas. We will pave rural roads, provide electricity to each family, implement compulsory education, and establish a system of rural cooperative medical care and social security.

In addition, China will accelerate reform of its economic system. This is the most important thing we can do to guarantee economic stability, encourage rapid growth, improve the quality and benefits of economic growth, and promote economic and social development. The purpose of structural adjustments to the economy is to regulate the industrial system and increase the importance of tertiary industry. Our current industrial system is irrational because it lacks the ability to produce key technologies, to safeguard intellectual property rights, and to produce globally competitive brands. The basis of these “three lacks” is China’s low capacity for independent innovation. Therefore, improving our ability to innovate is an important part of China’s economic and social development. The three most important economic sectors in China—agriculture, industry, and public service—are not highly developed. The foundation of agriculture is weak; though the scale of industry is large, it lacks competitive ability; and the development of our public service sector has lagged behind other sectors. We must establish policies to encourage innovation in these and other fields. This is an urgent precondition for accelerating transformation of our economic growth pattern, promoting optimization of our industrial system, and enhancing China’s overall national strength and ability to compete internationally.

Furthermore, we will promote harmonious development among regions. Harmonious development is a political rather than purely economic problem. It involves fostering development of the western region, rejuvenating the old industrial base of the northeast, revitalizing the central region, and encouraging the eastern region to take the lead in development. It includes establishing and improving market mechanisms and mechanisms for cooperation and mutual assistance among regions. We aim to create a new

situation in which the eastern, central, and western regions promote one another's development and use their combined strengths to compensate for their weaknesses.

Moreover, China will build a resource conserving, environmentally friendly society. Obviously, our goals of economic development and environmental conservation are already in stark contradiction. China suffers from a shortage of resources, whereas our consumption is huge and our waste is enormous. In addition, we do not yet have a comprehensive plan for conserving resources. As a result, the exhaustion of natural resources has already occurred in many areas of China. Consequently, economizing resources and protecting the environment have already become urgent tasks.

Finally, China will accelerate the pace of building a harmonious socialist society. Why has China put forward the goal of building a harmonious society? The reason is that the process of economic and social development has caused a number of destabilizing factors to appear. First, there is uneven development between urban and rural areas, among regions, between the economy and the society, and even among the interests of different groups and population sectors. At present, the Gini coefficient in China is relatively high, indicating a large income gap between the rich and the poor. According to international criteria, a Gini coefficient between 0.3 and 0.4 is considered reasonable, whereas one between 0.4 and 0.5 indicates a high degree of inequality in the distribution of wealth. From 2004 to 2006, China's Gini coefficient was 0.46. We will not have social stability unless the income gap is decreased. Second, the people's social expectations are increasing by the day, and diverse interest groups have appeared with their own unique demands. This makes social harmony more difficult to achieve. Third, development of the market economy greatly alters the nature of employment. There is a shift from a static society under a planned economy to a dynamic one, and the fluidity of society increases. This brings new problems of organization and regulation. Fourth, with the diversification of people's intellectual lives, independence, inconsistency, and disagreement come to the fore, bringing new challenges to society's stability and harmony.

In coming years, we will make great efforts to solve these problems and build a harmonious socialist society. We will take six different approaches to accomplishing this goal: we will provide more jobs, improve the social security system, regulate and rationalize income distribution, enrich the people's intellectual and cultural lives, improve health care, and ensure the security of life and property.

A harmonious socialist society is one that is democratic and law-based, fair and just, sincere and friendly, full of vitality, stable and orderly, with a harmonious relationship between humans and nature. This is a beautiful blueprint for a socialist society, and an arduous task we will strive to achieve for a long time to come.

In conclusion, China puts forward its objectives of economic and social development after reflecting on its experiences, learning from those of other countries, and bringing its own creativity into play. This shows that the Chinese people's capacity to manage the socialist market economy has matured. We believe that with the untiring struggle of the Chinese people and the help and support of people all over the world, these objectives will surely be realized.

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# Lessons for the “Socialist Market Economy” of People’s China from the Soviet “New Economic Policy”

Thomas Kenny

Western Marxist writers of various viewpoints assert that the New Economic Policy (NEP) foreshadowed the socialist market economy (SME). One writer has observed: “The social order that in China is currently considered valid presents itself as a kind of gigantic and expanded NEP” (Losurdo 2000, 498). Similarly, a recent pamphlet by British Communists compared present-day China, with its socialist market economy, to NEP Soviet Russia in the 1920s: “In defense of the NEP, Lenin made many of the same points as Deng Xiaoping and Communist Party of China representatives make today. . . . Of course, China in the last quarter of the 20th century was not Russia in the first quarter. Yet their crises display similar symptoms. And their remedies strongly resemble one another”(China’s Line of March 2006, 32).<sup>1</sup>

My paper shares the view that NEP is indeed a forerunner of SME. I reach the conclusion, however, not that NEP was the successful, aborted forerunner of SME, but rather that NEP foretells the contradictions and limits of SME.<sup>2</sup>

## *NEP and SME: in essence the same*

Ironically, one can find prominent Chinese economists denying the connection between NEP and SME, or at least reluctant

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to affirm it. One representative promarket Chinese economist, the late Xue Muqiao, stressed the dissimilarity between NEP and SME.<sup>3</sup> Such dissociation of NEP and SME is unconvincing. NEP is similar to SME in all key respects. In purpose and class content NEP and SME are the same: to increase the wealth of a working-class, socialist state by a policy necessitating the growth of new classes objectively hostile to socialist construction. Their main policies are the same. Both fostered market mechanisms, private ownership, competition, integration into the external capitalist economy. Their results followed the same sequence. Both, after initial success, entered a crisis because they were self-contradictory. In theory, they were the same. They moved forward and accomplished restoration of the productive forces by moving backward to historically outdated capitalist relations of production, discordant with the socialist objectives of a workers' state. Finally, their crises were the same, as we will see below.<sup>4</sup>

### ***NEP basics***

Recall what NEP was. In March 1921, after the Kronstadt rebellion against Bolshevik policies, the Tenth Congress of the Russian Communist Party met and heard Lenin argue for a new course in Soviet policy. Lenin argued for what he called "state capitalism" to be realized in the following forms: (1) foreign joint ventures and even foreign ownership of enterprises ("concessions"); (2) cooperatives based on market principles; (3) the use of capitalist merchants, as well as economic administrators and technical specialists trained in capitalist methods of management and organization; and (4) the leasing of state-owned enterprises and natural resources to both foreign and domestic capitalists. State-owned enterprises, which controlled the "commanding heights," were self-sufficient and operated on profit-and-loss principles, supplying themselves out of their own circulating assets (Sargis 2004).

### ***Why did NEP end?***

Most partisans of socialism, including this author, view NEP in a positive light, as a successful short-term expedient to help pull revolutionary Russia out of an economic crisis. Lenin proved

correct: after free trade in grain was restored, NEP briefly succeeded. By the late 1920s, however, NEP ended because it was in deepening crisis, not because of the arbitrary and excessive powers of Stalin, a claim frequently made.<sup>5</sup> Multiple crises drove the Soviet leadership to end NEP.<sup>6</sup>

NEP got more grain into the cities (i.e., it increased the productive forces) by increasing incentives to the peasants, especially rich peasants (kulaks), on the basis of the old incentives embedded in the old relations of production. But the same prerevolutionary relations of production restored by the Bolsheviks empowered the kulaks to withhold grain from the market in hopes of higher prices. NEP thus quickly restored the peasant-worker bond, but at the cost of strengthening the internal class enemies—the kulaks and “NEPmen”<sup>7</sup>—and objectively giving them, especially the former, ever greater say over the tempo of socialist construction. Thus, short term, NEP appeased the countryside but longer term it inevitably strengthened the classes opposed to socialist construction. Also, it alienated the social class for whom the system is supposed to work, the working class.

The Soviet state worked hard to cope with the contradictions, but they could not be eliminated. They tended to sharpen over time. Inequality on the land and imbalances in industry grew. The possibility of the fast growth of socialist heavy industry receded. Forms of social consciousness leading to turmoil and ideological retrogression reached into the Party and threatened its unity.<sup>8</sup> Corruption flourished.<sup>9</sup> In 1921–28, imperialism used NEP, limited though Soviet external relations were, to intervene in Soviet affairs.<sup>10</sup> The economic strengthening of the petty bourgeoisie led to the growth of petty bourgeois nationalism in the USSR taking two forms: Great Russian chauvinism, and nationalist separatism in the former subject nations (Lenin and Stalin, 1979; Stalin 1953, 243–44). The longer the end of NEP was deferred, the greater was the cost of turning to planning and public ownership. By 1928 most Soviet leaders concluded that *either* the kulaks would strangle the revolution *or* the Soviet state would have to find a way to cut the Gordian Knot. The solution was that: a) Socialism could be built in one country, through rapid industrialization. b) Rapid industrialization could be financed by increasing yields from agriculture through cooperative

farming and mechanization. c) A showdown with the kulaks would be inevitable. d) The growth of industry and agriculture could be coordinated by central planning (Keeran and Kenny, 2004, 18).

### ***NEP's predictive power***

Like NEP, SME has moved *forward* and accomplished restoration of the productive forces by moving *backward* to historically outdated capitalist relations of production, discordant with other medium and longer-term socialist objectives of People's China.

If NEP is indeed a pattern for SME, what phenomena would one expect to see in People's China? We would expect to see—and we are seeing—the growth of hostile class forces inside the country; Party corruption; ideological regression; social unrest; unemployment; growing inequality between rich and poor; inequality between regions; rural deprivation and unrest;<sup>11</sup> severe conditions of immigrants from the countryside seeking work in the cities; labor abuses, especially in firms controlled by the transnational corporations (TNCs); estrangement of industrial workers and poor peasants from the Party; the decline of health and education services (Hart-Landsberg and Burkett 2004, 58–75).

Special features of SME make People's China even more vulnerable to danger than NEP Russia ever was. The doctrinal innovation of the primary stage of socialism permitted, up until recently, a relaxed attitude to warning signs. China is far more fully integrated into a world capitalist economy, a fact enforced by institutions such as the World Trade Organization (WTO). Integration results in easy transmission of external economic shocks. China remains dependent on an imperialist-run world political and military order. Imperialist pressure to deregulate China's financial system and, more generally, to weaken state control over the whole economy, to "open up," persists. If China seeks to correct labor abuses in firms owned by TNCs, TNCs threaten to reduce or to end inward investment.

### ***Resulting questions for SME China***

If this analysis of NEP is correct, certain questions logically follow.

- Must the crisis of SME worsen? China has made dramatic gains in output by extending capitalist relations of production, the selfsame contradiction that bedeviled NEP. For how much longer is SME sustainable? In the Soviet Union in 1928–29, to bring NEP to a close, an all-too-bloody struggle in the countryside, “a third revolution” in Bukharin’s phrase, was necessary. Is it not reasonable to think that reversing course in China will exact a high price too, if it is deferred for “one hundred years”?<sup>12</sup> The new doctrine of the “primary stage of socialism” extending almost endlessly out into the future seems to underestimate gravely the speed of the build-up of classes objectively hostile to socialism in People’s China.
- What are the likely consequences of SME in the sphere of ideology? In the mid-1920s Soviet leaders noted the rise of petty bourgeois nationalism. Can one assess the regressive ideological impact on millions of Chinese peasants of decollectivization and a return to private ownership?
- Is there a development path for People’s China that offers an equal or even a faster rate of development of the productive forces? In the USSR in the first Five-Year Plan, when the USSR transcended NEP, yearly industrial growth rates of about 13 percent were achieved.<sup>13</sup> Since socialist construction means both to create socialist relations of production and to increase the forces of production, might it even make more sense to accept slower output growth if that is required to devote more attention to repairing the social safety net and restoring the well-being of workers and peasants?
- Will completely new, unexpected crisis phenomena appear in SME, outside the control of the authorities in Beijing? NEP was full of surprises. Capitalist relations of production in China are extensive. The country’s integration into the capitalist system is advanced. Many—including Wall Street (Kahn 2005; Barboza 2006b)—fear the emergence of one of capitalism’s greatest evils, a cyclical crisis of overproduction, or in plain business English, a crash,

following the long boom. Central planners in Beijing have yielded much power to the spontaneity of the market.<sup>14</sup> Is the state's capacity to stabilize the roaring economy and blunt the impact of external shocks now in question?

- Is there any realism in supposing that imperialism will acquiesce in "China's peaceful rise"?<sup>15</sup> NEP restricted the "foreign concessions," and confined its foreign trade largely to grain-for-heavy machinery exchanges. The weight of China in the world economy has risen. But the historical record is grim. Did imperialist Britain acquiesce in Germany's "peaceful rise" in 1870–1914? Did imperialist America acquiesce in the USSR's "peaceful rise" in 1945-91? History suggests that People's China will have to struggle for its socialist system, its national independence, and for peace. Imperialism is the enemy of all three.
- If SME means China's further pursuit of integration into a U.S.-dominated world political economy, how can socialist China meet its internationalist responsibilities? Must China seek to develop by attracting inward investment and competing in foreign trade only on a low-wage basis?<sup>16</sup> The interests of China's working class are not the only ones at stake. All friends of Chinese socialism have been pleased by recent steps to improve labor rights (Barboza 2006a). When the USSR achieved miracles of production in the first two Five-Year Plans, revolutionaries across the world took heart. The ideological damage to the prestige of socialism stemming from China's image—merited or not—as "the sweatshop of the world" is great.

### ***Conclusion***

It is welcome that the leadership inaugurated in 2002, disturbed by negative indicators, is fighting harder against SME's harmful consequences. This paper, I hope, adds arguments based on theory and history to the case of those Chinese leaders who wish to go further with such rectification. The world revolutionary movement suffered immense losses from the destruction of socialism in

Europe and the USSR near the end of the twentieth century. The movement is still struggling to recover from that blow. I shudder to think of the despair that will grip all of progressive humanity in the twenty-first century if underestimation of the dangers inherent in the “socialist market economy” causes irreparable harm to the revolutionary achievements of People’s China.

*New York*

## NOTES

1. Likewise, a U.S. scholar, Al L. Sargis, writes in the theoretical and discussion journal of the CPUSA, that NEP was “a socialist market economy in embryonic form” (Sargis 2004).

2. Comparison of revolutionary experience as remote in place and time as Russia’s NEP and China’s SME is, of course, appropriate. For example, the Paris Commune of 1871 and the October Revolution of 1917 took place in wholly different circumstances. But, Marx made important theoretical generalizations from the Commune about the nature of state power and the requirements of revolutionary transformation, applicable elsewhere. In 1917 Lenin tested them in practice. A scientific approach to history demands a search for such patterns. “A fundamental feature of anti-Marxist historiography is the absolutization of the particular, the nationally specific. . . . For the anti-Marxist fears generalizations . . . he carefully avoids concepts that would suggest regularities in the development of society” E. Zhukov, *Methodology of History* (Moscow: USSR Academy of Sciences, 1983), 56. Like “American Exceptionalism,” a recurrent ideological error in the US leftwing movement, “Chinese Exceptionalism” is a nationalist deviation in the sphere of theory.

3. Xue seems to think the pre-1949 support of Chinese peasants for the revolution—making unnecessary any postrevolutionary NEP to restore the worker-peasant bond—makes China unlike Russia (Xue Muqiao 1981, 3). Xue asserted: “He [Lenin] advanced the NEP, an attempt to control the small peasant economy through the market by developing state and cooperative commerce. . . . The situation in China was different.” Xue goes on to state that the Chinese Revolution had already developed “supply and marketing cooperatives” in liberated zones prior to 1949, politically detaching the peasant from landlordism and winning him to the revolution. The nonnecessity in China of the political goal of NEP—recapturing peasant political support—is a weak argument for the basic dissimilarity of NEP and SME. But Xue is indirectly and perhaps unintentionally admitting that NEP was adopted in conditions of genuine necessity, and that SME was not necessary in the same strict sense. Xue’s view is a mystifying position for a Chinese scholar to take. It is well known that Deng Xiaoping was deeply interested in learning all he could about NEP from the U.S. industrialist

Armand Hammer who knew it first-hand ([http://www.reference.com/browse/wiki/Deng\\_Xiaoping](http://www.reference.com/browse/wiki/Deng_Xiaoping)). Possibly many decades of anti-Sovietism in Chinese political discourse discourages Soviet-Chinese comparisons. The “primary stage of socialism” doctrine linked to a theory of 1989–91, offers few incentives for such comparisons, for the East European socialist states and the Soviet Union got it all wrong and history has pronounced its verdict on them. One prominent Chinese thinker wrote that the states that fell were not socialist at all (see Zhongqiao Duan 1998, 224). As it happens, there have been so many radical swings in the economic policy of People’s China that one early period even more closely resembles the NEP than SME does, i.e., the period 1949–56 (Slakovsky 1972, 153).

4. Obviously, differences exist between NEP and SME. First, they arose in different historical circumstances. Pre-1914 Soviet Russia was a capitalist country of medium development, ruined by WWI, postwar invasion, and civil war. At the start of NEP, Lenin’s government was endangered by loss of peasant support. In 1949 China was a ruined semifeudal, semicolonial country; by 1978 China had lost precious years of development progress to ill-considered, ultra-left, adventurist policies. Second, SME has lasted longer by far. Surely, People’s China’s sensitivity to the danger of the loss of national sovereignty is one factor in the patience with which both the authorities and the people have borne up under SME’s sharpening contradictions (see Weil 1996, 83). Moreover, Chinese patience is understandable; to lift four hundred million Chinese out of poverty between 1990 and 2003 according to WTO figures, is a stupendous achievement. Third, expectations have been qualitatively different. In Russia, NEP was viewed as a temporary retreat to “state capitalism.” People’s China has embraced wholly new development doctrines elongating the transition to socialism. Fourth, encircled Soviet Russia kept the hostile outside world at arm’s length, interacting with it merely through peace agreements and trade agreements. The Soviet state remained largely autonomous economically. By contrast, China has pursued headlong integration into the world capitalist economy. Fifth, in NEP Russia, the Party maintained strict vigilance over the economy. Authorities in Beijing, perhaps because major crisis phenomena matured late, until recently devolved much supervision of the economy to regional and local bodies. Sixth, for much of the SME era, from 1978 to 1991, the USSR, not People’s China, was the main target of imperialist hostility, pressure, and subversion.

5. In the capitalist West, NEP is “contested terrain” in a recurrent ideological battle between Communism and reformism. Until 1985, NEP was the era of Soviet history in which capitalism was given the freest reign. Therefore, naturally, social reformists, liberal reformists, and revisionist Communists idealize the NEP, wistfully mythologizing it as *The Road Not Taken*. In the battle to change direction in 1921, certain phrases used by Lenin—for example, that NEP would be pursued “seriously” and “for a long time,” gave subsequent opportunists a textual basis for arguing that he viewed NEP as the permanent new course for Soviet socialism. As early as the 1930s, Austrian social democrat Otto Bauer expressed the hope that the NEP experience would eventually mellow Bolshevism and lead it back into the mainstream of European social reformism. In

1956, Hungarian revisionist Communists under Imre Nagy promoted this same image of NEP, as later did Ota Sik, top adviser to Czechoslovak revisionist Communist Alexander Dubcek in 1967–68. Historian Roy Medvedev, a Gorbachev supporter, hailed NEP as “Lenin’s most vital contribution to the theory and practice of the socialist movement.” Similarly, early and influential Gorbachev adviser Tatiana Zaslavskaya promoted NEP as the model for Gorbachev’s post-1986 reform course. *The Nation’s* Soviet analyst Stephen F. Cohen has declared, “Simply put, the Chinese Communist Party has rehabilitated the lost economic alternative to Stalinism. . . . NEP, which established a mixed economy, was the first experiment in market socialism.” In his memoirs, Anatoly Chernyaev, a top Gorbachev aide, recounts that after Gorbachev read Stephen F. Cohen’s biography of Bukharin, Gorbachev—merely an unconscious Bukharinist up until then—rehabilitated Bukharin and made him the ideological godfather, so to speak, for perestroika. Some neo-Bukharinists nowadays, going further than Bukharin ever did, echo neoliberal economists such as Ludwig von Mises and Friedrich Hayek who argued that only “free markets” allow for rational price formation and allocative efficiency. “Free” markets, such neo-Bukharinists claim, are superior to central planning at least in the present state of science.

6. An Italian Communist put the situation simply: “Most historians are well aware of the contradictions that eventually led to the crisis of the NEP at the end of the 1920s” (Boffa 1982, 178). First, the market created instability, for example, in the “scissors” crisis of 1922–23, in which wildly fluctuating grain prices caused food shortages and unemployment among workers, harmed poor peasants and many middle peasants, but benefited rich peasants, i.e., kulaks. Second, the Soviets realized that the NEP policies condemned the Soviet Union to a protracted period of industrial backwardness, an unacceptable prospect in the face of boycotts and likely invasion by Western countries—not to mention the supreme goal of a prosperous socialist society only possible on the basis of modern heavy industry. Thirdly, in 1927–28 the idea that market mechanisms alone would be enough to feed the cities broke down completely when in the face of falling prices, the defiant kulaks hoarded grain and allowed the cities to face starvation. NEP engendered growing domestic political contradictions too, e.g., the growth of harmful nationalism. When the international situation worsened, NEP’s crises proved unmanageable.

7. NEPmen were private traders, a new bourgeoisie that grew up in the NEP era. See Ball 1987, 15–37).

8. “Under NEP the bureaucracy, the managers, the technicians, and the intelligentsia—the officer corps of the new society—were predominantly, almost exclusively made up of elements alien to the regime” (Carr 1958, 116). Carr’s multivolume work, *A History of Soviet Russia*, is perhaps the most detailed account of NEP available in English.

9. On NEP corruption, see Ball 1987, 63, 106, 114, 116, 171.

10. The Anglo-Soviet Trade Agreement, early in the NEP era, stipulated that the Soviets had to curtail “hostile propaganda” against Britain (Carr 1953, 289).

11. “Corruption, pollution, land seizures and arbitrary fees and taxes are among the leading causes of a surge in social unrest. Riots have become a fixture



of rural life in China—more than 200 ‘mass incidents of unrest’ occurred each day in 2004, police statistics show—undermining the party’s insistence on social stability” (Kahn 2006).

12. “China is at the primary stage of socialism and will remain so for a long period of time. This is a historical stage which cannot be skipped in socialist modernization in China that is backward economically and culturally. It will last for over a hundred years” (*Constitution of the Communist Party of China*, adopted 14 November 2002). [http://english.people.com.cn/200211/18/eng20021118\\_107013.shtml](http://english.people.com.cn/200211/18/eng20021118_107013.shtml).

13 A contemporary U.S. economic historian, Robert C. Allen, states that the speedy industrialization of the First and Second Five-Year Plans achieved growth of 12.7 percent per year (2003, 219). This is a view similar to that of Marxist economist Maurice Dobb who cited anti-Soviet bourgeois economists in the United States who estimated Soviet industrial output growth rates to be at least 14 percent a year from 1929 to 1937 (1968, 261–62).

14. Western and Japanese-owned transnational monopolies control more and more of the economy. Their share of total manufacturing sales in China went from 2.3 percent in 1990 to 31.3 percent in 2000 (Hart-Landsberg and Burkett 2004).

15. *Foreign Affairs* is a key journal of U.S. ruling class debate about foreign policy. In an article in *Foreign Affairs*, Zheng Bijian, writes most naively as if a “peaceful rise” depended on the hopes of the rising power, not the armaments of the hegemonic power, the USA, armed to the teeth with thousands of nuclear weapons, and a ghastly record of using them against an Asian people. Zheng writes, “China will not follow the path of Germany leading up to World War I” and “China will transcend ideological differences to strive for peace, development and cooperation.” The article identifies the author as one who has “drafted key reports for five Chinese national party congresses and held senior posts in academic and party organizations in China” (2005).

16. “While total hourly compensation costs for manufacturing workers increased more rapidly in China than in the United States between 2002 and 2004, hourly compensation per employee in China continued to be 3 percent of the level of the United States” (Lett and Banister 2006).

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## Commentary

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### Marx and Engels on Religion: A Reply to Ishay Landa

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In “Aroma and Shadow: Marx vs. Nietzsche on Religion” (*Nature, Society, and Thought*, vol. 18, no. 4 [2005]), Ishay Landa compared the atheism of Marx and Engels with that of Friedrich Nietzsche in order to debunk claims that Marxism and Nietzscheanism advance complementary critiques of religion. There is no denying that Landa’s article is a stylistic *tour de force*, nor will this commentator dispute the contention that Marxist and Nietzschean atheism have antithetical attitudes toward socialism and the working class. The purpose of this commentary is to correct the numerous inaccuracies and dubious interpretations that comprise Landa’s impressionistic caricature of Marx and Engels’s views on Christianity, atheism, and religion in general. Specific problems include: 1) Landa’s identification of Marx and Engels’s views with a generic, revolutionary socialist position on religion that does justice neither to the socialist tradition nor to Marx and Engels; 2) Landa’s use of Louis Althusser’s term “Ideological State Apparatus” (ISA) to lend *cachet* to the assertion that Marx and Engels considered religion the major ISA of the nineteenth century, a claim with which Althusser would disagree; and, 3) the

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patent falsity of the claim that Marx and Engels considered atheism the “*sine qua non* of revolution” (Landa 2005, 464). There are also problems with the discussion of Marx’s humanism; most importantly, Landa is blind to the potential significance of expropriating private property for any attempt to repair “the rift between humans and nature” (2005, 476). This will be dealt with at the end of the commentary.

### ***Socialism and religion***

A brief note should suffice to demonstrate the pitfalls of identifying Marx and Engels with some vaguely defined socialist position on religion. Landa holds that Marx and Engels represented “the basic tenets of socialist and revolutionary understanding of religion in general,” tenets that include secularization and humanism as well as atheism (2005, 463–64). It is true that many socialists have held these positions in one form or another; thus, it is easy to forget that the socialist tradition encompasses a wide range of views on religion and varying interpretations of what it means to be a secularist and atheist in a revolutionary socialist context—from the Blanquists, who wanted to abolish the clergy, all religious organizations, and all religious rites (Engels 1989, 16); to Marx and Engels’s contemporary, Moses Hess, who believed religion could enlighten and improve individuals, but should be kept out of politics (Hook 1934); to Lenin, who wrote in 1909, “We must not only admit workers who preserve their belief in God into the Social-Democratic Party, but must deliberately set out to recruit them” (1963, 409). Nor should it be forgotten that liberation theologians like the Sandinista and Catholic priest, Ernesto Cardenal, have held that religious convictions can serve as a spiritual path to revolutionary Marxism: “I came to the revolution by way of the Gospels. It was not by reading Marx but Christ. It can be said that the Gospels made me a Marxist” (quoted in Janz 1998, 91). On the other hand, some revolutionary socialists have carried out ferocious struggles against religion. The mass closings of churches under Stalin prior to World War II, the pillaging of churches and shrines, and terrorization of the clergy by Red Guards during China’s Cultural Revolution, and

the nearly total extirpation of religion in Enver Hoxha's Albania come to mind. This history contrasts sharply, however, with the present situation in socialist countries such as China and Vietnam, where there are numerous legal and officially sanctioned religious organizations. As serious an error as it is, Landa's reduction of the socialist stance toward religion to nothing but undifferentiated atheism, secular humanism, and hostility can be corrected by a mere glance at the historical record. That Marx and Engels were atheists and secularists is not in question; the point is that they did not represent some "typical socialist position" either in regard to their particular brand of atheism and secularism or in the degree of significance they accorded religion in their thought.

***Althusser on the ideological significance of religion***

Before Marx and Engels's views on religion can be discussed in full, the problem with Landa's use of Althusser must be cleared up. According to Landa:

The founders of Marxism wholeheartedly and unreservedly embraced secularization; it was for them a vital step in deposing religion as a prime means of class domination, the most important Ideological State Apparatus (Althusser's terminology) of the nineteenth century: "The criticism of religion is the premise of all criticism." (2005, 463)

Actually it is not clear whose view Landa is referring to—his own, Althusser's, or Marx and Engels's. Be that as it may, the contention about the importance of the religious ISA bears examination regardless of who put it forward. Landa acknowledges that he is using Althusser's terminology, so it might be enlightening to examine Althusser on this subject.

In his seminal essay, "Ideology and Ideological State Apparatuses," Althusser defined ISAs as "distinct and specialized institutions" such as the family, the political system, the system of churches, communications, culture, and the educational system that "function massively and predominantly *by ideology*," and secondarily by repression to reproduce the subjection of the masses to the ruling ideology, thereby preserving the power of the

ruling class and ensuring reproduction of the existing relations of production (1971, 143,145). Althusser distinguished ISAs from the RSA or “Repressive State Apparatus”—which includes the police, the courts, the prisons, and the army—primarily by the fact that the RSA “functions massively and predominantly *by repression* (including physical repression), while functioning secondarily by ideology” (1971, 142–43, 145). This definition of the RSA recalls Lenin’s characterization of the state as a coercive force for the suppression of one class by another, consisting of “special bodies of armed men having prisons, etc., at their command” (1964, 394). The RSA and the ISAs are both used to subject the masses to the existing social system; the distinction lies in the different institutions that they encompass and whether more weight is given to physical violence or ideology in carrying out their work. Thus the ruling class clings to power with the help of physical repression and by inculcating its ideology. Violence and control of the RSA are not sufficient to keep the ruling class in power. It must also try to penetrate the ISAs and permeate them with its ideology. Thus Althusser held that: “*no class can hold state power over a long period without at the same time exercising its hegemony over and in the State Ideological Apparatuses*” (1971, 146; his italics).

It should be noted that Althusser never claimed that the ruling class exercises absolute mastery over the ISAs.

They are, rather, the *site* of class struggle, and often bitter forms of class struggle. The class (or class alliance) in power cannot lay down the law in the ISAs as easily as it can in the (repressive) state apparatus, not only because the former ruling classes are able to retain strong positions there for a long time, but also because the resistance of the exploited classes is able to find means and occasions to express itself there, either by the utilization of their contradictions, or by conquering combat positions in them in struggle. (1971, 147)

Therefore the ISAs are rarely converted into placid scenes of total ruling-class domination. They remain arenas of struggle

among representatives of the ruling and exploited classes. To use the term ISA in Althusser's sense, as Landa claims to have done, at the very least points to the possibility that nineteenth-century religion was a scene of class struggle rather than a mere ideological weapon of the ruling class.

More importantly, Althusser did not believe the religious ISA, i.e., the Church, was the dominant ISA of the nineteenth century, at least not in advanced European countries such as France and Britain. Contrary to the position that Landa seems to attribute to Marx and Engels, Althusser considered the supremacy of the religious ISA to be characteristic of the *precapitalist* mode of production, not nineteenth-century capitalism.

In the precapitalist historical period, which I have examined extremely broadly, it is absolutely clear that *there was one dominant Ideological State Apparatus, the Church*, which concentrated within it not only religious functions, but also educational ones, and a large proportion of the functions of communications and "culture." It is no accident that all ideological struggle, from the sixteenth to the eighteenth century, starting with the first shocks of the Reformation, was *concentrated* in an anticlerical and antireligious struggle; rather this is a function precisely of the dominant position of the religious ideological state apparatus. (1971, 151)

According to Althusser, the dominance of the religious ISA in France was dealt a tremendous blow by the Revolution of 1789 and steadily waned thereafter (1971, 151–52). Nineteenth-century Europe was the scene of protracted class struggles among the bourgeoisie, remnants of the landed aristocracy, and the proletariat. With the gradual consolidation of bourgeois power, the religious ISA ceded its dominant position to bourgeois state ideological forms. At first, the political or "parliamentary-democratic" ISA took the leading position, and, with the maturation of capitalism, the "educational ideological apparatus" became the major ISA (1971, 152–53). Apparently, Althusser would not support Landa's assertion that the religious ISA was still dominant in the nineteenth

century. I am not saying with certainty that Landa was trying to deal with the question from an Althusserian viewpoint, but if he is going to insert Althusser's terminology into his discourse, why not deal with conclusions drawn by Althusser that bear directly on the discussion? Otherwise the use of the terminology appears gratuitous.

### ***Marx and Engels on religion***

Did Marx and Engels actually believe that the main ideological obstacle to proletarian revolution was religious in nature, namely the Christian churches and Christian beliefs, and did they accordingly place great emphasis on the battle against the Christian religion? Textual evidence suggests not.

Consider Landa's assertion that for Marx and Engels: "The criticism of religion is the premise of all criticism." Granted, the young Marx opened his Introduction to *Contribution to the Critique of Hegel's Philosophy of Law* with that famous statement. But I am actually granting too much, because Landa, who wants to make so much out of this fragment, has actually truncated Marx's statement, perhaps inadvertently, but nonetheless in service to his own purposes. The complete sentence actually reads: "For Germany the *criticism of religion* is in the main complete, and criticism of religion is the premise of all criticism" (1975a, 175). Note that Marx, as early as 1843/44, regarded criticism of religion as a premise, not a conclusion, as a beginning, not an ending, as a preoccupation of the past, not of the present, and certainly not of the future. Suffice it to say that this is considerably different from Landa's portrayal of the situation.

The Introduction also summarizes the convictions Marx developed as a result of engagement with this critical assessment of religion, a task that had been completed by thinkers such as Strauss, Bauer, and Feuerbach:

*Man makes religion, religion does not make man. Religion is the self-consciousness and self-esteem of man who has either not yet found himself or has already lost himself again. . . . The struggle against religion is therefore indirectly a fight against the world of which religion is the spiritual*



*aroma*. . . Religion is the sigh of the oppressed creature, the heart of a heartless world, just as it is the spirit of spiritless conditions. It is the *opium* of the people. . . . The criticism of religion is therefore *in embryo the criticism of the vale of tears*, the *halo* of which is religion. . . . The criticism of religion ends with the teaching that *man is the highest being for man*, hence with the *categorical imperative to overthrow all relations* in which man is a debased, enslaved, forsaken, despicable being. (1975a, 175–76, 182)

Far from being a battle cry against religion, Marx's Introduction is actually a call for a switch in priorities from the critique of religion to the criticism of social relations. Religion is a symptom of dehumanizing social conditions that need to be confronted directly. To continue the fight against religion would be to waste time and energy that should be spent struggling against the ruling class. Who will launch this struggle? In Germany, it will be the workers armed with revolutionary philosophy. "As philosophy finds its *material* weapons in the proletariat, so the proletariat finds its *spiritual* weapons in philosophy. And once the lightning of thought has squarely struck this ingenious soil of the people the emancipation of the *Germans* into human beings will take place" (Marx 1975a, 187). Criticism of religion prepares the way for the philosophy that follows, but this does not entail that religion must be extinguished before the revolution can begin. It implies that philosophy must move beyond criticism of religion so it can provide the proletariat with criticism of real social relations, not society viewed through the filter of religion.

Marx's real priority in writing the *Contribution to the Critique* was to criticize Germany's legal and political systems: "Thus the criticism of heaven turns into the criticism of the earth, the *criticism of religion* into the *criticism of law* and the *criticism of theology* into the *criticism of politics*" (1975a, 176). Even though Marx considered 1840s Germany backward compared with France and Britain, the fight against religion was not as important as the assault on the legal and political systems. Marx viewed his criticism of Hegel's legal philosophy as a contribution to the fight against those systems. This was still an indirect attack, alas, since

Marx was dealing only with legal and political *philosophy* and was therefore once removed from the concrete realities of which Hegelianism served as ideological justification (1975a, 176). To put it in Althusserian terms, the Marx of 1843/44 viewed the legal and political ISAs, and the Hegelian philosophy that glorified them, as the main ideological bulwarks of the German regime.

As he matured, Marx would transform himself from a philosopher into a political economist and communist activist, who focused his intellectual work on the study and criticism of bourgeois political economy and the capitalist mode of production. This critique of capitalism is the intellectual weapon that he and Engels developed and passed on to the working class. At no time did Marx consider religion the main obstacle to liberation of the proletariat, which is probably why he spent a miniscule amount of his literary corpus commenting on religion. The early Marx's discussions of religion are more a settling of accounts with an old foe, rather than a marshalling of forces against a present enemy.

Of course the ruling classes still rolled out Christianity whenever they found it convenient, and Marx would rise to the attack when necessary. He wrote the following in 1847 against the call of a conservative Prussian newspaper for further development of the social principles of Christianity as bulwarks against communism:

The social principles of Christianity have now had eighteen hundred years to be developed, and need no further development by Prussian Consistorial Counsellors.

The social principles of Christianity justified the slavery of antiquity, glorified the serfdom of the Middle Ages and are capable, in case of need, of defending the oppression of the proletariat, even if with somewhat doleful grimaces.

The social principles of Christianity preach the necessity of a ruling and an oppressed class, and for the latter all they have to offer is the pious wish that the former may be charitable. . . .

The social principles of Christianity preach cowardice, self-contempt, abasement, submissiveness and humbleness, in short, all the qualities of the rabble; and the proletariat,

which will not permit itself to be treated as rabble, needs its courage, its self-confidence, its pride and its sense of independence even more than its bread.

The social principles of Christianity are sneaking and hypocritical, and the proletariat is revolutionary.

So much for the social principles of Christianity. (1976, 231)

Although hostile toward Christianity and religion in general, Marx did not consider them the working class's main enemy, and he did not advocate abolition of religion as a prerequisite of working-class revolution. He believed religion would wither away but only after bourgeois freedom had been superseded by full emancipation of human beings from oppressive social conditions:

We no longer regard religion as the *cause*, but only as the *manifestation* of secular narrowness. Therefore we explain the religious limitations of the free citizens by their secular limitations. We do not assert that they must overcome their religious narrowness in order to get rid of their secular restrictions, we assert that they will overcome their religious narrowness once they get rid of their secular restrictions. (1975c, 151)

Interestingly, Marx shows little recognition of religion's dialectical nature, particularly the tensions between the faith of the oppressors and that of the oppressed. Engels had a sharper eye for the contradictory uses of religious belief systems and institutions, their shifting historical roles, and their messy combination of reactionary and progressive features. For example, in the introduction to the English translation of *Socialism Utopian and Scientific* (1892), Engels held that in the long battle of the European bourgeoisie against feudalism, Lutheranism and Calvinism played the historically progressive role against Catholicism, the ideology of the feudal aristocracy. In the sixteenth century, Lutheranism's call for liberation from Romanism began the slow dissolution of feudalism in Germany, and Calvinism inspired republican uprisings in Holland, England, and Scotland. England had to go through a long period of unrest, rebellion, and revolution before

the compromise of 1689 effectively put the nation in the hands of the “manufacturing and commercial middle class” (1990a, 290–93). An exception to the important role of religion in the bourgeois revolutions was of course the French Revolution, which became “the first that had entirely cast off the religious cloak, and was fought out on undisguised political lines” (1990a, 294).

Despite its progressive role in battles against feudalism, Engels acknowledged that bourgeois Christianity functioned as a repressive force when the bourgeoisie used it to suppress the working class. In England, for example:

The merchant or manufacturer himself stood in the position of master, or, as it was until lately called, of “natural superior” to his clerks, his workpeople, his domestic servants. His interest was to get as much and as good work out of them as he could; for this end they had to be trained to proper submission. He was himself religious; his religion had supplied the standard under which he had fought the king and the lords; he was not long in discovering the opportunities this same religion offered him for working upon the minds of his natural inferiors, and making them submissive to the behests of the masters it had pleased God to place over them. In short, the English bourgeoisie now had to take a part in keeping down the “lower orders,” the great producing mass of the nation, and one of the means employed for that purpose was the influence of religion. (1990a, 293)

Engels does not deny that manipulation of religion by the bourgeoisie continued throughout the nineteenth century, but this does not mean that he considered it the decisive force in keeping down the proletariat. Indeed, he viewed bourgeois religion as a passive and ineffective ally of a declining capitalist society:

Tradition is a great retarding force, is the *vis inertiae* of history, but, being merely passive, is sure to be broken down; and thus religion will be no lasting safeguard to capitalist society. If our juridical, philosophical, and religious ideas are the more or less remote offshoots of the economical

relations prevailing in a given society, such ideas cannot, in the long run, withstand the effects of a complete change in these relations. And, unless we believe in supernatural revelation, we must admit that no religious tenets will ever suffice to prop up a tottering society. (1990a, 300–301)

These examples should not mislead us into thinking Engels saw religion only as a handy tool for use by rising and established elites in propping themselves up against competing classes. He saw that religion could also serve the lowest orders of society, the poorest workers and slaves. For example, Engels's 1894 article, "On the History of Early Christianity," opens by observing that original Christianity shared many similarities with the working-class movement. He also considered early Christianity the closest thing to socialism that was achievable in Antiquity.

The history of early Christianity has notable points of resemblance with the modern working-class movement. Like the latter, Christianity was originally a movement of oppressed people: it first appeared as the religion of slaves and freedmen, of poor people deprived of all rights, of peoples subjugated or dispersed by Rome. Both Christianity and the workers' socialism preach forthcoming salvation from bondage and misery; Christianity places this salvation in a life beyond, after death, in heaven; socialism places it in this world, in a transformation of society. Both are persecuted and subjected to harassment, their adherents are ostracised and made the objects of exceptional laws, the ones as enemies of the human race, the others as enemies of the state, enemies of religion, the family, the social order. And in spite of all persecution, nay, even spurred on by it, they forge victoriously, irresistibly ahead. Three hundred years after its appearance Christianity was the recognised state religion in the Roman World Empire, and in barely sixty years socialism has won itself a position which makes its victory absolutely certain.

If [it is asked] . . . why, with the enormous concentration of landownership under the Roman emperors and the boundless sufferings of the working class of the time, which

was composed almost exclusively of slaves, “the fall of the Western Roman Empire was not followed by socialism,” it is because . . . “socialism” did in fact, as far as it was possible at the time, exist and even become dominant—in Christianity. (1990b, 447–48)

Amazingly, by describing early Christianity as a type of socialism, Engels comes close to the views of contemporary liberation theologians who hold that true Christianity is realized only when it is combined with socialism. Be that as it may, it should be clear that Marx and Engels’s views on the ideological significance of religion are much more complex than Landa has portrayed them, and they fall well short of having considered religion to be the dominant “ISA” of the nineteenth century. The textual evidence cited above, as well as the obvious fact that Marx and Engels spent the bulk of their ideological criticism attacking bourgeois political economy, and a relatively miniscule amount of ink on attacks against religion—neither of them having ever written a major work on the subject—clearly shows what they really considered to be the major ideological bastion of bourgeois society.

### ***Marx and Engels on atheism***

Landa thinks that Marx and Engels considered atheism the essential condition of revolution:

The masses, once awakened from the opiate dream of a blissful afterlife, would rise to claim a paradise on earth, brushing aside those who use religion to shield the status quo. Atheism was on that account deemed a vital vehicle of political transformation, the *sine qua non* of revolution. (2005, 464)

The preceding discussion strongly suggests that they did no such thing, and other passages from Marx and Engels reinforce this supposition. Although atheists, Marx and Engels did not stress propagation of atheism or the abolition of religion, and they did not hold that workers had to be atheists before they could become revolutionaries. This was likely due, not to some lingering regard

for religion, but from the conviction that religion, as the product of inhuman social conditions, could never be argued out of existence by the efforts of professional atheists. It would naturally disappear once its roots had been excised by socialist revolution.

As early as 1847 in *The German Ideology*, Marx and Engels expressed exasperation with thinkers whose preoccupation with criticizing religion, calling for its abolition, and preaching atheism retarded the needed shift from mere “criticism” to concrete revolutionary activity. They called this obsession with religion “a criticism which has been flogged to the point of exhaustion,” and deplored the substitution of “the struggle against religious illusions, against God” for the “real struggle” against the bourgeoisie (1976, 235). The obsession with religion was holding up the revolution. The point was not to preach atheism, but to get down to the business of class struggle.

Not only did Marx and Engels de-emphasize the importance of atheism in particular and criticism of religion in general, they held that the spread of materialism among some radicalized sections of the proletariat was already causing them to move *beyond* mere atheism. Engels, writing in 1874 against the Blanquist call for establishment of atheism by decree, dismisses it as a largely moot issue, while expressing a mirthful indulgence toward lingering manifestations of religiosity among some workers.

Our Blanquists . . . want to represent the most far-reaching, most extreme trend. . . . It is, therefore, a question of being more radical than all others as regards atheism. Luckily, it is easy enough these days to be an atheist. In the European workers’ parties atheism is more or less self-understood, even though in some countries it is quite often similar to that of the Spanish Bakuninist who declared: to believe in God is against all socialism, but to believe in the Virgin Mary is something quite different, and every decent Socialist should naturally do so. As regards the German Social-Democratic workers, it can be said that atheism has already outlived its usefulness for them; this pure negation does not apply to them, since they no longer stand in theoretical, but only in practical opposition to all belief in God: they are *simply*

*through with God*, they live and think in the real world and are, therefore, materialists. The same probably applies to France. (1989, 15–16)

Engels's *Anti-Dühring* (1878) mocked Dühring's call for the abolition of "all the paraphernalia of religious magic, and therewith all the essential elements of religious worship" (quoted in Engels 1987, 300). Engels clearly stated that religion would die neither by decree nor by philosophical or scientific refutation, but only through the revolutionary activity of the working class in taking possession of the means of production, establishing a planned economy, and learning to control the alienating social forces that feed religious belief.

It is still true that man proposes and God (that is, the alien domination of the capitalist mode of production) disposes. Mere knowledge, even if it went much further and deeper than that of bourgeois economic science, is not enough to bring social forces under the domination of society. What is above all necessary for this, is a social *act*. And when this act has been accomplished, when society, by taking possession of all means of production and using them on a planned basis, has freed itself and all its members from the bondage in which they are now held by these means of production which they themselves have produced but which confront them as an irresistible alien force; when therefore man no longer merely proposes, but also disposes—only then will the last alien force which is still reflected in religion vanish; and with it will also vanish the religious reflection itself, for the simple reason that there will be nothing left to reflect. (1987, 301–2)

Marx expressed essentially the same idea in *Capital I*, the notion that religion and quasireligious mystifications of real social relations (such as the fetishism of commodities) cannot be overcome until the advent of socialism.

The religious world is but the reflex of the real world. And for a society based upon the production of commodities, in which the producers in general enter into social relations with one another by treating their products as commodities



and values, whereby they reduce their individual private labour to the standard of homogeneous human labour—for such a society, Christianity with its *cultus* of abstract man, more especially in its bourgeois developments, Protestantism, Deism, &c., is the most fitting form of religion. . . . The religious reflex of the real world can, in any case, only then finally vanish, when the practical relations of everyday life offer to man none but perfectly intelligible and reasonable relations with regards to his fellowmen and to Nature.

The life-process of society, which is based on the process of material production, does not strip off its mystical veil until it is treated as production by freely associated men, and is consciously regulated by them in accordance with a settled plan. (1996, 90)

So much for the assertion that Marx and Engels considered atheism the *sine qua non* of revolution.

***A comment on Marx's humanism***

Perhaps it is indicative of Landa's fundamental misunderstanding of Marxism that on page 476 of his article Landa claims not to understand how the elimination of private property *can have any effect whatsoever* on the relationship between human beings and nature:

It remains difficult, however, to grasp how eliminating private property might possibly impinge on, let alone heal, the rift between humans and nature, which we now understand as two strictly separate sets of problems, the one political and social, the other existential or spiritual.

This was said in response to a passage from the *Economic and Philosophic Manuscripts of 1844* that posits communism—understood by Landa as the abolition of private property—as the solution to the conflict between humanity and nature.

This communism, as fully developed naturalism, equals humanism, and as fully developed humanism equals

naturalism; it is the *genuine* resolution of the conflict between man and nature and between man and man—the true resolution of the strife between existence and essence, between objectification and self-confirmation, between freedom and necessity, between the individual and the species. Communism is the riddle of history solved, and it knows itself to be this solution. (Marx 1975b, 296–97; quoted in Landa, 475–76 )

Just as Landa failed to understand that Marx wanted philosophy to be superseded by a revolutionary communist movement—revolutionary philosophy must translate into revolutionary activity—so too does he miss Marx’s point that philosophical humanism (or naturalism) is not fulfilled until it is instantiated as socialism in practice, a practice that includes curtailing private property rights and gradually eliminating private property through the transition from capitalism to socialism, and finally communism. Humanism is completed, and alienation overcome, by the demise of private property, which in turn opens the possibility of healing the damage that capitalism does to the relationship between humanity and nature. The “existential,” “spiritual,” or “philosophical” aspects of this healing are secondary to the act of building socialism and communism. For Marx, the humanity-nature relationship is not some philosophical abstraction. It is a material interaction that forms the basis of human existence. To fully understand Marx’s views on this relationship, the damage done to it by capitalism, and how it might be healed, one must be familiar with sections of *Capital I* that deal with this issue.

*Capital I* contains abundant material on the interaction between nature and humankind. It will be reviewed here to the extent necessary to answer Landa. Marx obviously recognized that one of nature’s functions is to supply human beings with the material basis for survival and development. In chapter 7, he enumerated the various useful materials that nature provides to humankind:

The soil (and this, economically speaking, includes water) in the virgin state in which it supplies man with necessities

or the means of subsistence ready to hand, exists independently of him, and is the universal subject of human labour. All those things which labour merely separates from immediate connection with their environment, are subjects of labour spontaneously provided by Nature. Such are fish which we catch and take from their element, water, timber, which we fell in the virgin forest, and ores which we extract from their veins. (1996, 188)

Of course Marx knew that not all subjects of labor are “spontaneously provided by Nature.” Nature is also a source of “raw material” for human industry, i.e., natural articles that must be worked on and altered by human labor *before* they can be used in the production process (1996, 188).

Marx also refers to nature as humanity’s “original tool house” because it provides useful “instruments of labour” encompassing everything from sticks and stones to chemical reactions. He apparently thinks these instruments are analogous to organs of the human body:

An instrument of labor is a thing, or a complex of things, which the labourer interposes between himself and the subject of his labour, and which serves as the conductor of his activity. He makes use of the mechanical, physical, and chemical properties of some substances in order to make other substances subservient to his aims. . . . Thus Nature becomes one of the organs of his activity, one that he annexes to his own bodily organs. . . . As the earth is his original larder, so too it is his original tool house. It supplies him, for instance, with stones for throwing, grinding, pressing, cutting, &c. The earth itself is an instrument of labour. (1996, 189)

Nature, as an instrument of labor, can be considered an organ annexed to the human body. Is Marx suggesting that nature should be cared for as if it were part of one’s own body or humanity’s collective “body”? If nature is regarded as a bodily organ, the commodification of nature by capitalism represents, by extension, the ownership or enslavement of a part of humanity by the

bourgeoisie. Such a notion leads to an unequivocal rejection of the commodification of nature and the resulting abuses of the natural environment

Extrapolation from the discussion of commodities in chap. 1 of *Capital I*, supports the view that capitalism abuses nature by treating it as a vast collection of objects, processes, and properties destined to be transformed into private property and commodified. Once commodification occurs, nature becomes fetishized in the commodity form. Fetishization of nature as *commodified* nature causes humanity to forget its organic relationship with nature, its dependence on nature for resources, tools, and sustenance despite the long history of this relationship, and the elucidation of its terms by the natural and social sciences. It prevents humankind from perceiving nature as a type of organ of the human body that is indispensable to the survival of the species.

Marx shows that the labor process also contributes to the destruction of the relationship between humans and nature. He regarded the process as a form of *metabolic* interaction between nature and humankind, although this is more readily apparent in some English translations of *Capital* than others. In the *MECW* edition of *Capital I*, Marx's discussion of the labor process reads as follows:

Labour is, in the first place, a process in which both man and Nature participate, and in which man of his own accord starts, regulates, and controls the material reactions between himself and Nature. He opposes himself to Nature as one of her own forces, setting in motion arms and legs, head and hands, the natural forces of his body, in order to appropriate Nature's productions in a form adapted to his own wants. (1996, 187)

Through the labor process, humanity, which is itself a force of nature, opposes itself to the rest of nature in order to adapt the natural world to human needs. Yet the labor process includes beneficial material exchanges between humanity and nature, with both poles of the exchange accorded an active role. True, the passage above does not describe these "material reactions" as a type of metabolism, but some scholars argue that when properly

translated, it explicitly describes labor as a metabolic process between nature and human beings (Foster 2000, 157). The German word *Stoffwechsel*, which Marx used in the original German edition of *Capital* and which is translated above as “material reactions,” is literally translated as “metabolism,” and it is translated as such in some English editions of *Capital I*. For instance, in the Vintage edition, the above passage is rendered as:

Labour is, first of all, a process between man and nature, a process by which man, through his own actions, mediates, regulates and controls the metabolism between himself and nature. (1977, 283)

*Metabolism* consists of the physical and chemical processes (the “material reactions”) necessary for the maintenance of life. If two living things are in a metabolic relationship, that interaction can only be maintained if both parties remain alive and healthy, and each one contributes, through the process of metabolic exchange, whatever is necessary to maintain the other in a condition conducive to the continuing existence of the relationship. If Marx conceived of the labor process as a type of metabolism in which both humankind and nature participate, then it follows that the process is one in which nature (obviously) plays an indispensable role in maintaining the lives of human beings, while humanity in turn *participates in maintaining nature* as a system capable of continued metabolic interaction with humankind. This interpretation is not far-fetched in light of other passages in which Marx discusses the natural world. We have already examined a passage from chapter 7 in which Marx called nature an organ that man “annexes to his own bodily organs” (1996, 189). This view is compatible with the notion that workers (and by implication the working class) must take just as vital an interest in maintaining nature in a healthy condition as they would regarding any other part of their bodies. This conclusion is reinforced by other passages in *Capital I*. In chapter 15, section 10, for example, Marx presupposes the need for human care and maintenance of nature when commenting on the damage done by capitalist production to the agricultural labor process, understood as a metabolic, or life-sustaining, interaction

between the soil and human communities:

Capitalist production, by collecting the population in great centres, and causing an ever-increasing preponderance of town population, on the one hand concentrates the historical motive power of society; on the other hand, it disturbs the circulation of matter [again the operative term is *Stoffwechsel*, translated as “metabolic interaction” in Marx, 1977, 637—DSP] between man and the soil, i.e., prevents the return to the soil of its elements consumed by man in the form of food and clothing; it therefore violates the conditions necessary to lasting fertility of the soil. . . . [A]ll progress in capitalistic agriculture is a progress in the art, not only of robbing the labourer, but of robbing the soil; all progress in increasing the fertility of the soil for a given time, is a progress towards ruining the lasting sources of that fertility. . . . Capitalist production, therefore, develops technology, and the combining together of various processes into a social whole, only by sapping the original sources of all wealth—the soil and the labourer. (1996, 506–8)

Marx’s indictment of poor capitalist stewardship of the soil can be applied to capitalist treatment of the entire natural world. The interaction of humanity and nature in the labor process is viewed by Marx as an ongoing material exchange that must be kept in balance for humanity to survive and nature to remain fertile. This suggests a symbiotic human-nature relationship managed for sustainability. Capitalism destroys this symbiosis through robbery aimed at achieving maximum profit—robbery of the worker through extraction of surplus value, and robbery of the soil by depriving it of nutrients. Socialism begins to heal the damage by ending capitalist exploitation of nature and human beings.

In reply to Landa’s puzzlement as to how the abolition of private property affects the relationship between nature and humankind, it can be said that socialist revolution can create conditions for restoring healthy human interactions with nature because:

1. Abolishing private property decommodifies nature and human labor power, thus ending the private exploitation

of both workers and nature for maximum profit. This creates opportunities for worker participation in managing interactions between nature and humankind.

2. Abolishing private property makes it possible to eliminate those aspects of production that destroy the metabolism between humanity and nature. It gives society a chance to place production, management of natural resources, and the economy as a whole under the control and regulation of associations of producers, guided by the natural and social sciences, with sustainable development as their priority.

As this comment has already gone on too long, the above will have to suffice as an explanation of how socialist revolution and the abolition of private property impinge on the rift between humans and nature.\*

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#### NOTE

\*For a detailed discussion of this problem see my "Commodity Fetishism, Sustainable Development, and Marx's *Capital*." [politicalaffairs.net](http://www.politicalaffairs.net). November 14, 2007. < <http://www.politicalaffairs.net/article/articleview/6149/1/51/>>

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## On Marxism, Religion, Straws, and Beams: A Response to David S. Pena's Reply

Ishay Landa

Reading David S. Pena's elaborate riposte to my essay has left me in an awkward position: I agree with many of Pena's reservations, yet I also find that his reservations agree with me. Pena's polemic strikes me as serial breaking through open doors. He reads my arguments narrowly and contentiously, and then goes on to "refute" or "correct" them, while in fact largely repeating, at most expanding on, my own claims. For lack of space, a few examples would have to suffice.

Pena thinks that he caught me red-handed when referring to my argument that Marx and Engels [M&E] represent the socialist attitudes to religion in general. This, he retorts, is simplified, and he goes on to number several socialists holding somewhat different positions. Now he is perfectly right, I did simplify the socialist take on religion. Yet I did so quite consciously and openly, inaugurating my discussion by saying, precisely, "*To simplify matters*, I would posit Marx and Engels's atheism as representative of the basic tenets of socialist and revolutionary understanding of religion in general" (2005, 463) [emphasis added]. In citing my position, these introductory three words, "to simplify matters," Pena *actually truncated from the statement, perhaps inadvertently, but nonetheless in service to his own purposes*. While being aware of the fact that nuances and variants, more or less important, exist within the socialist canon, I did not feel obliged to address these in an essay juxtaposing Marxism and Nietzscheanism; nor do I regret taking M&E as my main socialist point of reference rather than, say, Moses Hess, mentioned by Pena. I have taken M&E and Nietzsche as the two interlocutors, on the side of socialist

atheism and of bourgeois atheism respectively, not because they represent to perfection either of these currents of thought, still less exhaust all of their varieties, but because they represent them reasonably well and are absolutely central and seminal thinkers on both sides of the divide. In the same vein, I perfectly agree with my “critic” when he says that we should not forget “that liberation theologians like the Sandinista and Catholic priest, Ernesto Cardenal, have held that religious convictions can serve as a spiritual path to revolutionary Marxism” (Pena, 2007, 92). So much do I agree with this injunction that, in the last page of my paper, I cite precisely the “liberation theology in Africa and Latin America,” as an example of the religious spirit imbuing certain radical movements ((2005, 496). The door is open, dear Mr. Pena, do come in!

This failure to register what I was actually saying, is symptomatic not only of Pena’s less than attentive reading, but also, more importantly, of his nonchalant indifference with regard to the significance of Marxist, atheistic, humanism as an emancipating ethos, greatly pertinent in confronting the serious challenge of dehumanizing Nietzscheanism at the service of capitalism (as well as, in the past, fascism). These suggestions—which form the core of my text—Pena has very little use for, and he curtly brushes them aside, at the same time that he trivializes them, by stating that he “will not dispute the contention that Marxist and Nietzschean atheism have antithetical attitudes towards socialism and the working class” (114). So this is one room, which happens to be the most spacious one in my paper’s edifice, into which Pena has no intention of even peeping, let alone barging. From the start, that is, my critic sets himself the pedantic task of minutely addressing a number of surrounding issues which, in the context of my essay, were scarcely relevant, such as the precise socialist strategy in promoting atheism, or the exact place the struggle against religion occupied for M&E as compared with other political and ideological goals. Yet he does not excel, it has to be said, even as a hair-splitter. Here is another example of the way he generates gratuitous and misconceived polemic: he cites Lenin speaking against rejecting religious workers, implying that he

thereby departed from the stringent atheism I ascribe to classical socialism. Now what does a critique of religion, which Lenin most definitely subscribed to, have to do with the persecution or isolation of religious people? Was Lenin perchance enthusiastic about accepting religious workers because he thought the party needed a healthy injection of devout Orthodox Christian sentiment? Or did he, on the contrary, hoped to “infect” such workers precisely with socialistic atheism? We need only consult the continuation of Lenin’s statement—which Pena again conventionally leaves out—in which Lenin makes perfectly clear that “we recruit them in order to educate them in the spirit of our programme” (1963, 409). That neither Lenin, nor M&E, sought to abolish religion by decree, as Pena makes a point of affirming? Naturally they were much too sensible to contemplate anything of the kind, nor did I ever claim otherwise.

At one point, Pena makes the in-and-of-itself important and correct observation to the effect that Engels was not univocally antireligious and occasionally compared communism to early Christianity. The problem with this observation is that it is employed in what the author imagines is an exposure of the inadequacy of my presentation of M&E’s stand vis-à-vis religion. In truth, Pena involuntarily shores up my pivotal argument, by showing how Engels, in that respect too, was taking the diametrically opposed position to Nietzsche, who condemned Christianity precisely for prefiguring the socialist slave revolt and socialism for prolonging the seditious tradition of Christianity, while being, on the other hand, very appreciative of the Church’s historical role as an ISA (*Althusser’s* terminology, *not* Nietzsche’s). As far as Engels is concerned, it goes without saying that he did not favorably treat early Christianity on account of any change in his—very low—estimation of the metaphysical value of religion, nor did he in the least modify his views on the mischief done by institutionalized Christianity; what he appreciated was rather the practical value of the primordial, radical social movement, precisely from the atheistic and humanistic point of view I outlined. Moreover, given the fact that it was particularly the *late* Engels who highlighted the parallels between the early Christians and the modern

communists, this might be seen as an intriguing response to the contemporary, bourgeois-Nietzschean accusation of the affinity between Christianity and socialism. Being a dialectical thinker and a practically oriented one, Engels incisively reacted to the changes in the hegemonic ideology, which was in the process of shifting from a predominantly religious morality, to a Nietzschean atheism, beyond good and evil. So—leaving aside his disputatious tone—I can only be grateful to Pena for a very good illustration of one of the key points I was trying to make, about the profane nature of theological conflicts, and the phenomenon that I playfully term “God’s shifting alliances.” In fact, as I was writing my essay, I considered including the following quotation by Engels from his 1895 introduction to Marx’s *The Class Struggles in France 1848 to 1850*, in which he compared the growing strength of the German socialists following Bismarck’s antisocialist law with the triumphant march of the early Christians, following Emperor Diocletian’s campaign to outlaw them:

It is now, almost to the year, sixteen centuries since a dangerous party of overthrow was likewise active in the Roman empire. It undermined religion and all the foundations of the state; it flatly denied that Caesar’s will was the supreme law; it was without a fatherland, was international; it spread over the whole empire, from Gaul to Asia, and beyond the frontiers of the empire. . . . This party of overthrow, which was known by the name of Christians, was also strongly represented in the army. . . . The Emperor Diocletian could no longer quietly look on. . . . He stepped in with vigour, while there was still time. He promulgated an anti-Socialist—I beg your pardon, I meant to say anti-Christian-law. (1990, 523–24)

Notice Engels’s appreciation of early Christianity as a force that “*undermined religion.*” I finally decided against including this quotation since the text was, I felt, rich enough in contexts, allusions, and associations, and for sheer considerations of space. Perhaps I decided wrongly. Then again, had I included it, a reader of Pena’s perspicacity would not unlikely have overlooked it anyhow (see the case of the liberation-theology admonition).

Pena also impugns me for wildly exaggerating the place that the struggle against religion occupied in M&E's order of priorities, and argues that they were confident that religion will disappear more or less of itself once social conditions change. He argues that "Marx regarded criticism of religion as a premise, not a conclusion, as a beginning, not an ending, as a preoccupation of the past, not of the present, and certainly not of the future" (116). This is strangely done in subjective polemic against my quotation of Marx in which he says the following: "The criticism of religion is *the premise* of all criticism" (1975, 463) [emphasis added]. I never expressed any doubts about the fact that M&E regarded criticism of religion as a vital *starting phase* and *not* as the *end*, that it was for them the *means*, not the *goal*. Yet I am now obliged to remind my interlocutor of the obvious, namely that *means*, too, are essential for completing any task, the building of socialism being no exception, and that without *beginning*, one can hardly expect to come to any *conclusion*. In playing the antireligious aspect of original Marxism down Pena contends, hardly iconoclastically, that "Marx and Engels spent the bulk of their ideological criticism attacking bourgeois political economy, and a relatively miniscule amount of ink on attacks against religion—neither of them having ever written a major work on the subject" (102). Here Pena makes the true, if infinitely banal, observation that M&E were ultimately concerned with abolishing capitalism, not with sweeping religion aside. I must have offended the sensibilities of the doctrinaire Marxist by not dutifully ascertaining the primacy of the economy. If I concentrated on the Marxist critique of religion this was done to compare an important ideological facet of Marxism with that facet in the writings of a major bourgeois ideologue. There is nothing in my essay, however, to suggest that the Marxist canon should be drastically reevaluated so that its critique of bourgeois political economy be considered a *superstructure* determined by the antireligious *base*. I am not sure to what extent the confusion arises from the possible imprecision of some of my formulations—especially from my single use of Althusser's terminology, which Pena zooms on—and to what extent it stems from the zeal of Pena's polemic. I trust, at any rate, that most readers of my essay did not

take my argument to mean that the struggle against religion was more or equally important for M&E than the struggle to transcend the capitalist mode of production. I hope they understood my point as implying that the weakening of religion was regarded by M&E as a vital historical precondition in achieving precisely the desired end, of an emancipated humanity, unburdened by all forms of class domination, from feudalism to capitalism.

So if there is no real disagreement between Pena and myself regarding the ultimate goal of communism, maybe the real bone of contention between us is that of *chronology*, the fact that I saw atheism as the *future* task of Marxism whereas Pena regards it as a thing of the *past*? If Pena overestimates the importance I ascribe to for M&E's atheism, he *underestimates* M&E's stake in atheism. He makes much of the fact that both were optimistic that religion would disappear of itself and that they therefore turned to deal with other, more pressing matters. He forgets, however, that they did so only because the *premise* of a weakened religious hegemony was already to a great extent in place when they entered the debate, that the great, indeed epoch-making atheistic spadework was already accomplished before them, by the Enlightenment, by Feuerbachian, German criticism, and by the general secularization of life under industrialization, hence facilitating the move to more directly political action:

The evident proof of the radicalism of German theory, and hence of its practical energy, is that it proceeds from a resolute *positive* abolition of religion. The criticism of religion ends with the teaching that *man is the highest being for man*, hence with the *categorical imperative to overthrow all relations* in which man is a debased, enslaved, forsaken, despicable being. (Marx 1975, 182)

I may not have emphasized this enough, but surely an attentive reader would not have imputed to me the notion that achieving atheism was the top priority on the Marxist agenda, the most urgent task for the future, on which they concentrated most their critical firepower? In my historical contextualization of nineteenth-century secularization, for example, I clearly stated that the condition of a weakened religion, losing its grip on the

masses, and hence facilitating socialism, both *preceded* M&E and was *greeted* by them:

The Enlightenment's emphasis on rational enquiry and scientific progress, requisite for bolstering the bourgeois social revolution as well as for expediting industrial technological progress, *severely limited the sway of religion as a social myth*. As Engels could affirm *with gratification as early as 1844* (the year of Nietzsche's birth): "[Carlyle] knows very well that rituals, dogmas, litanies and Sinai thunder cannot help, that all the thunder of Sinai does not make the truth any truer, nor does it frighten any sensible person, that we are far beyond the religion of fear" [emphasis added]. (Landa 2005, 465; Engels 1975, 457)

In the light of this, revisiting Pena's purported correction of my thesis creates a somewhat comical effect: "Note that Marx, as early as 1843/44, regarded criticism of religion as a premise, not a conclusion, as a beginning, not an ending, as a preoccupation of the past, not of the present, and certainly not of the future. Suffice it to say that this is considerably different from Landa's portrayal of the situation" (96). Or is the "considerable difference" to be found in Pena's dating: "as early as 1843/44," whereas mine is: "as early as 1844"? (465). So here goes another very thin hair Mr. Pena was so arduously splitting.

One last sample of Pena's exegetic method: he takes it upon himself, in his article's latter part, to explicate Marx's project for reconciling man and nature by revolutionary social transformation (this he does, by reducing the incredible complexity and richness of Marx's insights into a few uninspired, environmentalist formulas, about the need for a harmonious, healthy and responsible "metabolism" between humankind and nature, etc., which, while congruent with a Marxist standpoint, hardly do justice to Marx's breathtaking vision and might have been copied down, with minor terminological modifications, from the brochure of any Green party). He claims that I claimed "not to understand how the elimination of private property *can have any effect whatsoever* on the relationship between human beings and nature" and he goes on triumphantly to assure the reader that it definitely *can*,

since “the demise of private property, . . . opens the possibility of healing the damage that capitalism does to the relationship between humanity and nature. The ‘existential,’ ‘spiritual,’ or ‘philosophical’ aspects of this healing are secondary to the act of building socialism and communism” (106). I must once again, but for the last time, state, that here, too, I agree with my critic, and so does my argument. For in order to assume his didactic duties, Pena needed to misconstrue my argument entirely. I did not claim not to understand the said relation, but simply used the following question in order to *introduce* the discussion:

It remains difficult, however, to grasp how eliminating private property might possibly impinge on, let alone heal, the rift between humans and nature, which we now understand as two strictly separate sets of problems, the one political and social, the other existential or spiritual. (2005, 476)

This common-sense *assumption*, that we are dealing with incompatible domains I *immediately* proceeded, in agreement with Marx, to *refute*, affirming the need, precisely, for concrete, *political action*:

But for Marx, the issue of the human being’s position versus nature is not at all a “natural matter,” so to speak, decided a priori by some given natural laws, but rather *a thoroughly sociopolitical question* that humanity itself *must resolve by way of conscious revolutionary action* [emphasis added]. (476)

By mistaking the *introduction* for the *conclusion*, Pena could turn on its head my argument—as if I was endorsing some existential scepticism regarding political action, or amassing spiritual objections to radical praxis—and then smugly appear as the valiant materialist, saving the day. So this—which happens to be no less than Pena’s “most important” problem (92) with my discussion of Marx’s humanism—turns out to be just one more of those doors I did not bother to lock, and which Pena nonetheless insists on wrenching from their hinges. The single-mindedness of his effort, undeniably, could hardly have been improved upon.



Pena, at the start of his critique, accuses me of blindness. There is perhaps no better way to conclude this discussion of how the founding fathers of historical materialism dealt with religion in general, and Christianity in particular, than with a quotation from the sermons of the founding father of communism—sorry, I meant Christianity: Jesus says: “*The straw that is in thy brother’s eye, though seest; but the beam that is in thine own eye, thou seest not!*” [my emphasis].

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## Book Reviews

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*Divided We Fall: The Story of the Paperworkers' Union and the Future of Labor.* By Peter Kellman. New York: Apex Press, Council on International and Public Affairs, 2004. 194 pages, paper \$29.95.

Peter Kellman was a key leader of the 1987–88 paper workers strike against International Paper (IP) in Jay, Maine. *Divided We Fall* is a focused history of twentieth-century struggles of Maine paper workers designed to enlighten understanding of the Jay strike's ultimate defeat, with lessons for possible future victories. Kellman's well-researched, often leaflet-style, account does not conceal his deep bonds with Jay strikers and their families, their past, and their future.

The fierce and passionate fight of the Jay paper workers and three sister United Paperworkers' International Union (UPIU) locals against IP demands that would "destroy our union"—Local 14—sent shock waves throughout the entire labor movement. It gave a boost to the 1988 presidential campaign of Jesse Jackson, who carried many paper-mill towns and finished a strong and unexpected second in Maine. It also sparked a national campaign against IP.

For Maine paper-working families like my own of that time, and for many communities dependent on the paper industry, the struggle was intense and personal. We were drawn a hundred miles to the dramatic weekly rallies in Jay out of the simple knowledge that the outcome of this fight could determine pay, union survival, and working conditions for all Maine paper workers.

Indeed, most of the work-rule and outsourcing demands imposed by IP found their way into other mills over the years following the Jay strike, although without destruction of the union.

Technology, global competition, and IP's arrogance all conspired to reduce the size of the paper industry, and Maine UPIU membership declined steadily as well.

Kellman holds the UPIU leadership primarily responsible for the strike's defeat. He counts as decisive an absence of full support for expanding the strike beyond the four shut-down "pool" plants, and weak backing of the Ray Rogers-directed Corporate Campaign against IP.

Kellman finds a successful model in the rank-and-file organizing drives and strike history of the 1920 paper workers. The hard-won unity of the craft unions broke the IP-led resistance, and resulted in significant contract and membership gains. Subsequent union disunity, however, enabled the companies to recover their "losses" by breaking the next wave of strikes.

Drawing on the appeal of these experiences, Kellman champions an IWW-like ideal of unionism that does not rest on the National Labor Relations Board, or even collective-bargaining contracts. Rather, its strength stems from rank-and-file and grassroots organization, from the spirit of the old IWW (Wobblies), somehow without deadly bureaucratic compromises of honor. Such ideals, however, confront a repressive U.S. legal bias against labor organizing of any kind.

Kellman's conclusion is that the U.S. Labor Party (USLP) is part of the answer. Like some Wobblies, the USLP studiously avoids elections, one place American political movements can be taken seriously if they really have a constituency. Nevertheless, the Jay workers helped support Kellman's ideals by mounting successful campaigns for local offices, as well as sanctions against IP environmental violations.

Kellman explores the option of civil disobedience in defiance of the injunctions against mass picketing, in addition to the Corporate Campaign and Strike Expansion tactics/strategies. The key demand of such actions would of course be: Reverse the IP decision for permanent replacement of all the strikers.

It is conceivable such action, properly devised and supported by sufficient thousands of the supporters and neighbors that marched in Jay, could generate the political crisis necessary to compel decisive state action to employ the National Guard to arrest

and jail thousands of citizens, or compel a settlement of the strike without the humiliation and destruction of the union that eventually took place. This high-risk tactic worked in Flint, Michigan, in 1937, but clearly—"Success Not Assured." However, continuing a strike past the firing of the strikers is inherently high risk.

Left largely untouched in this book is the economic foundation of the IP dispute. The company officials conceded years later that the battle was a disaster. That's good. The company's barbaric tactics against its own employees should earn it no less than it brought to the people of Jay. But the demands to outsource skilled trades and combine other classifications were not isolated, but connected to waves of computer control steadily undermining many craft-based tasks and processes.

How to get ahead of, instead of buried by, these changes presents a difficult challenge for all labor.

Kellman's history passes the test of a compelling read that lays out all the problems and challenges honestly—while recalling the deep reservoirs of strength to be found in the great battles of Maine paper workers.

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*Rites of August First: Emancipation Day in the Black Atlantic World.* By J. R. Kerr-Ritchie. Baton Rouge: Louisiana State University Press, 2007. 272 pages, cloth \$45.

The dual concepts of the "Black Atlantic" and the "Black Diaspora" have become prominent in scholarship of late. Basically, this growing body of work examines the aftermath of the horrific African Slave Trade—a continuing stain on the escutcheon of those nations that participated, the United States not least—which includes millions of persons of African descent in the western hemisphere.

It is well known that the British Empire abolished slavery decades before the United States finally did so in 1865 with the

Thirteenth Amendment to the Constitution. Emancipation Day in this worthy book refers to 1 August 1834, the day in which abolition has been marked in the British Empire, and how this date became the occasion for a critically important celebration that engulfed the U.S. North, the British Caribbean, and a large swathe of Canada.

In addition to limning this important development, which implicitly points to a form of transnational or Pan-African nationality that transcends the borders of particular nations, this thoughtful work raises other matters of note. That is to say, this book is well researched and well written and certainly merits a wide audience. Like any good book, it raises further questions that are worthy of extended consideration.

For example, does this “Black Atlantic” only encompass the English-speaking Americas, or was it manifested in Haiti or Cuba or Brazil? Actually, this question can be posed to virtually the entire corpus of literature concerning the “Black Atlantic,” which routinely speaks exclusively to the Anglophonic sphere. Yet even considering this point, this book—along with recent works by Simon Schama, Cassandra Pybus, and Alfred and Ruth Blumrosen—raises far-reaching questions about the nature of the American Revolution of 1776. For it has long been acknowledged that far more Africans fought alongside the British than the rebellious colonists, who too often were slaveholders. It is equally well known that in the nineteenth century numerous Black Abolitionists pledged allegiance to London and scorned Washington, just as in the twentieth century—not least because of the bestial treatment they were accorded—numerous African Americans turned their backs on the United States and migrated to Paris or Moscow or Mexico City or Tokyo or Accra.

Considering these realities and contemplating how the major threats to international peace and security continue to emerge from Washington (as the illegal and criminal invasion of Iraq demonstrates), we are well past time for second thoughts and deeper reconsideration of the “progressivism” of the 1776 Revolution. For example, in November 1965, the racist minority regime in Rhodesia broke ties with London, alleging that it was

simply repeating what had occurred in North America in the eighteenth century. In *Slave Nation*, the Blumrosens argue that the latter revolt was grounded in fear that the British Empire would follow up on “Somerset’s Case” (a judicial ruling in 1772 that slavery was unlawful in England—Ed.) and extend the ban on slavery to British colonies, and the Rhodesians were clearly seeking to escape a ban on racist repression of Africans that the “winds of change” emanating from London were signaling.

That Kerr-Ritchie’s fine work forces us into such wide-ranging contemplation is further indication of the fundamental value of this exceedingly important book.

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*Strange Liberators: Militarism, Mayhem, and the Pursuit of Profit.*  
By Gregory Elich. Coral Springs, FL: Llumina Press, 2006. 424 pages, paper \$25.95.

As described by its author, Gregory Elich’s *Strange Liberators* “is an attempt to sketch just a few of the parameters of Western Power as it is exercised” (i). The book represents a scathing indictment of U.S. military and economic imperialism in the late twentieth and early twenty-first centuries. Its geographic breadth is certainly expansive: Iraq, North Korea, Yugoslavia, Zimbabwe, and the “Disposable Planet” are presented as victims of the capitalist juggernaut.

Elich is to be commended for his illumination on some of the global conflicts that have yet to register on the U.S. popular consciousness. The images he depicts of ravaged Belgrade and the overcrowded, underfunded hospitals of Harare are especially searing. Elich also demonstrates the oft-disregarded cultural cost of militarism. A section on the looting of Iraq’s ancient treasures raises a theme that has been repeated (in varying iterations) since the earliest days of war and empire but one that is rarely acknowledged in context with the United States.

Despite all that he does include, Elich imparts little in the way of historical perspective, for his focus is trained intently on very recent events. For example, his analysis of North Korea incorporates the past only from 1993 onward. More specifically, there is no mention or discussion of the communization of China or the Korean War, two events that have certainly shaped the current debate over nuclear weapons. Another shortcoming is that the text jumps from one place (and subject) to the next without a clear transition. In addition, each chapter reads like a separate essay, with virtually no relationship to the one that came before or the one that follows.

All in all, however, *Strange Liberators* leaves the reader with a sense of missed opportunity. Perhaps if the author had written the introduction or conclusion to his own work, explicating the reasoning behind his choice of locales and case studies, the reader could achieve a clearer understanding of the overarching connections between the book's chapters. As it stands, this study lays an excellent foundation for a contemporary understanding of the machinations behind the U.S. global dominance. The serious analytical and interpretive gaps in Elich's study point the way for future study.

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## ABSTRACTS

*Philip Bounds*, “**Unlikely Bedfellows: George Orwell and the British Cultural Marxists**”—This article examines the parallels between George Orwell’s cultural writings and the work of the literary intellectuals who were either members of, or closely associated with, the Communist Party of Great Britain in the 1930s and 1940s.

“**The Socialist Market Economy and Other Theoretical Issues: —NST Symposium and China Study Tour June 2007**”—The Conference section of this issue of the journal presents a brief description of the study tour and begins publication of papers from the conference “The Socialist Market Economy and other Theoretical Issues”

## ABREGES

*Philip Bounds*, « **Une drôle d’association : George Orwell et les marxistes culturels britanniques** » — Cet article examine les parallèles entre les écrits culturels de George Orwell et l’oeuvre des intellectuels littéraires qui étaient soit membres soit proches du Parti communiste de Grande Bretagne dans les années trente et quarante du vingtième siècle.

« **L’économie socialiste de marché et d’autres questions théoriques — NST Symposium et voyage d’études en Chine en juin 2007** » — La section Colloque dans ce numéro de la revue présente un bref récit du voyage d’études et commence la publication des communications du colloque « L’économie socialiste de marché et d’autres questions théorique ».