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China

The new Chinese Capitalism

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The recent Olympic Games have been a great showcase for the new ascendant Chinese capitalism. China has today been through a long process of capitalist restoration initiated three decades ago. The reforms began in 1978, and extended and deepened, progressively debilitating the mechanisms of the planned economy and received a decisive push from 1992 onwards.

[http://internationalviewpoint.org/local/cache-vignettes/L267xH200/Chiny_Shuzhou_tkalnia_jedwabiu_08-4ff97.jpg]

Work in a Shuzhou factory Wikimedia

In the 1990s an unrestrained process of privatization of state companies and liberalization of public services took place. Nowadays, two thirds of wage-earners work already for private capital. At the beginning of the 21st century, China's entrance into the World Trade Organization in 2001 culminated its process of reintegration into global capitalism.

They are few on the left, luckily, who have illusions in the Chinese model. But it should be clear that agree that thirty years of reform have created a wildcat capitalism without restraint. And this it is the horizon towards which the country is heading, in spite of the rhetoric about a "harmonious society" from President Hu Jintao. The increasing evidence of the social and environmental disasters caused by the present model of accumulation has caused changes in the official rhetoric and adjustments in the policies to contain imbalances, but not a modification of the general course.

The capitalist restoration has been piloted by the Chinese Communist Party (CCP) whose ideology and nature have been transformed. Nationalism has become the main element of the discourse and identity of the CCP and is used as a cohesive and legitimating factor in its political project. Hence the strategic importance of the Games.

China is traversed by great social and regional imbalances. The reforms have caused concentration of incomes, social polarization and increased inequalities. The Gini coefficient (which measures inequality) went from 0.30 in 1980 to 0.48 now and according to the World Bank there are 300 million poor people in the country. The bulk of economic activity is concentrated in the coastal regions (receiving 85% of foreign investment last year) which contrast with the impoverished regions of the interior. The present model of development also has a high environmental cost, in particular in terms of air pollution in the big cities and water contamination.

The social base of the Chinese regime is the new emergent bourgeoisie, related to the apparatus of the State and the Party, and a significant urban middle-class, which also includes the most qualified sectors of the wage-earners, and many civil servants and members of the state apparatus.

The working-class has experienced deep transformations. And workers in the public sector, 20% of the active population, have been hard hit by the big wave of privatizations, that have eliminated 40% of public sector jobs. This fraction of the working class has seen the social guarantees of the Maoist period eroded. In parallel, a new fraction of the working-class has emerged, formed by rural migrants to the city and concentrated in the export oriented industries of the east coast and the Pearl River delta, and also in poorly paid sectors like construction and services in the big cities. Internal emigration from the country to the city is fed by a crisis in rural resources and the collapse in spending power of the peasants, around a third of that of urban dwellers. Comprised of about 150 million people, this new working-class occupies the lowest rosters of the labour market.

Their living and working conditions form the bitterest face of the new Chinese capitalism. Low wages, interminable working hours, lack of health and safety at work and violation of the labour laws on the part of many companies and

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their subcontractors comprise their daily reality. The official union federation, the only legal one, lacks autonomy in relation to the state, is subordinate to the enterprise interests and is not a real instrument of defence for workers.

Against this background, it is no wonder that social struggles have increased from the end of the 1990s. Nevertheless, these are still very fragmented and isolated and due to the iron repression they do not leave any organizational consequences behind them. Convergences between the mobilizations of the workers of the state sector with those of the immigrant working class do not exist. The same is true of the numerous protests in the rural world and the urban areas.

To support these emergent struggles in China against the present model of accumulation, given the importance of the country and the position that it occupies in the architecture of global capitalism, is a central strategic task for movements opposed to neoliberal globalization. Without, obviously, playing the game of the Western governments when they hypocritically denounce abuses of human rights in China or the repression of the Tibetan people. The form the world will take in the future will depend to a good extent on present and future popular struggles in China.

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