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China

China: a new imperialism emerges

- Features -

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The formation of a new imperialism is a rare event. [1] It requires multiple preconditions related to the international situation and the specific characteristics of the country concerned. From this dual viewpoint, the Chinese emergence has posed us unusual questions.

We knew that imperialism could be born outside of the Western sphere. This was the case in Japan. However, it was part of a fairly classic analytical framework. The creation of Western empires was not complete in Northeast Asia, the great powers were vying for control of China, the Japanese regime could react preventively. As for the social structure of the country, it seemed to us essentially analogous to that of European countries, the Meiji Restoration (1868) ensuring the transition from a late feudalism to a modern capitalism: accelerated industrialization, constitution of a powerful army that masterfully proved itself against Russia: for the first time, a European power was defeated by an Asian country, a major event that caused a geopolitical earthquake. Japan was therefore the last imperialist state to be able to form at the dawn of the twentieth century.

The transformation of the immense Russian Empire into a modern imperialism had indeed failed, due in particular to the consequences of its defeat by Japan during the Russo-Japanese War (1904-1905): its military capabilities collapsed, its naval fleet having been destroyed in two stages: that based in Siberia first and then, that based in the Baltic, sent as reinforcements. On the domestic political level, the debacle was countered by the revolution of 1905, which initiated the crisis of the Tsarist regime. Defeated in the East by the new Japanese imperialism, then in the West by Germany during the First World War, Russia was on the way to becoming a dependent or carved-up state – a fate from which it escaped thanks to the revolution of 1917.

With the formation of colonial empires, a primary division of the world was almost accomplished; henceforth the stakes of inter-imperialist conflicts would be the modification of this division.

At the heart of capitalist globalization and geopolitical tensions

At the beginning of the twenty-first century, Xi Jingping's China established itself as the world's second largest power, at the heart of capitalist globalization. It projects itself on all continents and all oceans. For Xi, "In an era of economic globalization, openness and integration are an irrepressible historical trend. The erection of walls or 'delinking' goes against economic laws and market principles." Philip S. Golub notes that "the party-state has staked out a claim as a champion of free trade and global finance... removing some of the barriers blocking foreign access to segments of domestic capital markets and issuing licenses to major US groups to operate wholly- or majority-owned subsidiaries in specialised markets [2] For the *Economist* of 5 September 2020, "China is creating opportunities [that foreign capital did not expect, at least not so quickly]." The magnitude of U.S. capital inflows into China is difficult to estimate because "many Chinese companies issuing shares have subsidiaries in offshore tax havens." According to a report published by *Investment Monitor* on 13 July 2021, China has more subsidiaries in the Cayman Islands than any other country "after the United States, the United Kingdom and Taiwan".

"Capable of dictating its conditions in key industrial sectors, the Chinese state flies the China plane, feeding a vast patronage network strengthened by the party's ability to impose widespread surveillance of society. We are not dealing with a "market socialism with Chinese characteristics", but with a state capitalism effectively endowed with "Chinese characteristics". [3] From India to South Korea, the state leading economic development is nothing new in Asia. In various forms, many dominant oligarchies combine private capital, military capital and state capital. The link

between them is often made through the big family owners.

Heir to a long and particularly complex history, the Chinese social formation is very heterogeneous. A workshop of the world, its economy remains partly dependent on foreign capital and the import of components or spare parts. However, it also offers the basis for independent international development. In some sectors, it produces advanced technologies, in others, it cannot catch up – as in advanced semiconductors. It is experiencing crises of overproduction (and debt) of the capitalist type that are hitting real estate hard, symbolized by the quasi-bankruptcy of the giant Evergrande. So far, all the prognostications of the bursting of the housing bubble have been denied [4] – but this does not mean that this will remain the case. As Romaric Godin notes, "The Mass has not yet been said for a possible Chinese crisis, but the contradictions of the state capitalism of the People's Republic seem to be increasingly deepening."

From the 1980s onwards, the Chinese leadership prepared its international expansion. Discreetly under Deng Xiaoping, aggressively under Xi Jinping. This expansion has domestic economic drivers (finding outlets for sectors with low profitability and overproduction, such as steel, cement, or labour). It appeals to deep cultural sources – restoring the centrality of the Middle Kingdom, erasing the humiliation of colonial domination, offering a global alternative to the Western model of civilization. It nurtures a Great Power nationalism legitimizing the regime and its ambition to challenge the supremacy of the United States.

We find ourselves in a "classic" situation where the established great power (the United States) confronts the emergence of a growing power (China).

International preconditions

How could what had become impossible at the beginning of the twentieth century (the emergence of a new imperialism) be realized at the turn of the twenty-first? At the risk of simplification, let us highlight two time periods.

Following the Russian (1917) and Chinese (1949) revolutions, most of Eurasia escaped the direct domination of Japanese-Western imperialisms, conquering a position of independence without which nothing that happened later would have been possible.

Following the international defeat of the revolutionary movements in the 1980s on the one hand and the disintegration of the USSR on the other, the dominant wing of the international bourgeoisie committed the sin of triumphalism, thinking that its undivided rule was henceforth assured. It did not consider, it seems, that the neoliberal world order it imposed could be used by Beijing to its advantage, with the success that we have seen.

Chinese transformations

The analyses that claim that the current Chinese international policy is not imperialist are based on the continuity of the regime from 1949 to the present day, but this continuity is only *nominal*: People's Republic (PRC), Communist Party (CCP), important state economic sector. There are certainly continuities, especially cultural ones, including the long bureaucratic tradition of the Empire that adorns contemporary regimes with a historical "normality". Discontinuities, however, prevail – and by far. There was indeed revolution and counter-revolution, as evidenced by the successive upheavals of social classes.

The position of the industrial proletariat. When the People's Republic was proclaimed, the CCP had to rebuild a social base in the urban centres. To do so, it attached itself to the working class, in both senses of the word: by subordinating it and by providing it with considerable social benefits.

Politically, the working class was kept under party control; it did not "lead" either the enterprise or the country. Workers were assigned to work units much like territorial civil servant in the French tradition. The working class of the new state-owned enterprises nevertheless enjoyed considerable social advantages (lifetime employment and so on). No other social stratum had such an advantageous social position, except, of course, the bureaucracy of the politico-state organs of power.

The status of women belonging to *popular sectors*. The two emblematic laws adopted in the aftermath of the conquest of power benefited ordinary women: equal rights in marriage and an agrarian reform that included them.

The old ruling classes. Once the People's Republic was consolidated and whatever the individual fate of this or that member of the Chinese elites, the old ruling classes (urban bourgeoisie and rural gentry) disintegrated.

The Maoist regime consolidated itself following a social, nationalist, anti-imperialist and anti-capitalist revolution – a process of permanent revolution. [5] It had deep popular roots, but was nonetheless authoritarian, shaped in particular by decades of war. The democratic legacy of the social mobilizations specific to the strategy of "people's war" remained alive, but the party-state nevertheless constituted the framework within which bureaucratization (a process) developed. It was not socialism, but a transitional society whose outcome was uncertain. [6]

The crisis of the Maoist regime. All the contradictions inherent in the Maoist regime exploded during the misnamed Cultural Revolution (1966-1969). [7] This was a global crisis of great complexity that we cannot summarize here, during which the administration and the party were shattered – only the army remaining able to intervene coherently at the national level. Mao eventually appealed to it to impose a repressive return to order, turning against the Red Guards and workers' groups who supported him. During the 1970s, this paved the way for the obscurantist dictatorship of the "Gang of Four", the ultimate victory of the bureaucratic counter-revolution. The catastrophic outcome of the GPCR (Great Proletarian Cultural Revolution) sanctioned the terminal crisis of the Maoist regime and the political death of Mao Zedong, ten years before his physical death. [8]

The bureaucratic counter-revolution created fertile ground for the bourgeois counter-revolution, breaking the popular mobilizations with the return to power of Deng Xiaoping, a survivor of the GPCR purges, appearing as a return to reason. A few years later, it became apparent that what was in the 1960s a slander justifying the purges had become a reality in the 1980s: Deng now embodied the capitalist option within the new leadership of the CCP.

The counter-revolution of the 1980s. Under the impetus of Deng Xiaoping, the core of the bureaucracy prepared its transformation, its "bourgeoisification" and the reintegration of the country into the capitalist world market. In doing this, it benefited from exceptional advantages:

• Regarding the legacy of the Maoist regime: an independent country, industry and technology, an educated, qualified population...

• Regarding the legacy of the colonial period: Hong Kong (a British colony), Macau (a Portuguese colony) and Taiwan (a US protectorate) were wide open doors to the world market and international finance offering management know-how that did not exist on the mainland, allowing technology transfers (Macau was an ideal channel to circumvent laws and regulations).

• The possibility of collaborating with powerful transnational Chinese capital on the basis of a solid compromise: the latter received privileged treatment in China, while knowing that only the government and the CCP could guarantee the maintenance of the unity of the country-continent.

• China's intrinsic weight (its geographical and demographic size) – a country like Vietnam can follow the same evolution as its neighbour but cannot aspire to the rank of great power.

China's accelerated capitalist transformation was not accomplished without inflicting a historic defeat on the popular classes during the massive repression known as Tiananmen in April 1989 (the whole country being affected and not only Beijing). A defeat that is part of the new arrangement of social classes.

The proletariat. The working class of state-owned enterprises stubbornly resisted the intensification of labour demanded by the authorities, so that in the last resort, the government decided to withdraw it largely from production, while continuing to pay it under various artifices. The rural exodus has made it possible to constitute a new proletariat, especially in the free zones. 70% female, at that time they were undocumented Chinese workers (it was forbidden in China to change residence without official authorization). The perfect labour force for the super-exploitation that characterizes the period of primitive accumulation of capital. The first generation of immigrant women from the interior suffered while waiting to return to the village. The second began the fight for its regularization with the support of many associations.

The inversion of the social and ideological order. The intellectual elites, yesterday at the bottom of social hierarchy, were once again exalted. Women from the popular layers were made invisible. Deng Xiaoping advocated the virtues of "trickle-down" (the enrichment of some supposedly heralds the enrichment of all). The state economic sector now operated in symbiosis with private capital. China has a record number of billionaires, who find themselves in the CCP's governing bodies.

Great power, imperialism and interdependence

There is no great capitalist power that is not imperialist. China is no exception. A few examples.

• The bringing to heel of its "periphery". Thanks to the development of a high-speed transport network, Tibet has become the object of settler colonization. In East Turkestan (Xinjiang), the Muslim-majority Uyghur population is subjected to a range of measures ranging from forced assimilation to mass internment with a target of at least cultural genocide. [9] The treaty that guaranteed respect for the democratic rights of the people of Hong Kong during the handover of the colony ("one country, two systems") has been unilaterally repudiated by Xi Jinping. After years of popular resistance, Beijing has imposed its repressive order, criminalizing independent organizations (forced to dissolve), sentencing any dissent to heavy penalties. The right of self-determination, the freedom of peoples to self-determination, is no longer a question in the marches of the Empire.

• To protect its investments in the era of the "new Silk Roads" and ensure access to the Indian Ocean (the "corridors"), Beijing does not hesitate to support the worst dictatorships (as in Burma) and to interfere in the internal affairs of another country (as in Pakistan). [10]

• The temporary paralysis of the United States (bogged down in the Middle East) has allowed Xi Jinping to militarize the entire South China Sea, taking control of maritime territories belonging to the riparian countries, from the

Philippines to Vietnam. Beijing denounces (rightly) the policy of the US great power in the region, but does not hesitate to use the overwhelming superiority of its naval forces against its neighbours.

• To secure its sea lanes (merchant or military), Beijing has taken possession of ports in many countries, from Sri Lanka to Greece, using the weapon of debt when necessary. A default in repayment can allow it to demand that a port territory become a Chinese concession for a period of up to 99 years (which was Hong Kong's colonial status!).

• By projecting itself internationally, China now participates in the division of zones of influence in the South Pacific Ocean by claiming significant maritime space.

The United States was and remains the main imperialist power, the first source of global militarization, wars and instability. This is important to note. I will not stress it here, except to note that Joe Biden has succeeded in refocusing US strategy on the major Indo-Pacific theatre of operations. Obama had wanted this, but had failed to do it, being embroiled in the Middle East. [11] There is a continuity between the policies of Donald Trump and those of Joe Biden. The latter's policy, however, appears more coherent than that of Trump. [12]

Faced with the US threat, the Maoist regime had developed a defensive strategy whose pivot was the army, popular mobilization and the dimensions of the country: an invader would get lost there. On the other hand, a great power must assert itself in the oceans (as well as, today, in space and in artificial intelligence). The naval air forces have been the first military pivot of Xi Jingping's policy that mobilizes the country's resources to make rapid progress in other areas.

In doing this, the current Chinese regime is participating in the dynamics of militarization of the world (and thus in the worsening of the climate crisis). Some on the left speak of China's "right" to demand its place in the sun, but since when should we defend the "rights" of a regime, rather than of peoples?

The tension between Washington and Beijing over the Taiwan issue is now at its height. [13] There are two opposing logics. That of states engaged in severe, lasting competition, and that of capitalist globalization where interdependence in terms of technologies, production chains - "value chains" - trade or finance prevails. Competition is conducted in all areas and "camps" appear in a globalized market and finance. Whatever the contradictions facing globalization today, the *capitalist* "deglobalization" of the economy appears to be a wager. The interdependence is such that one can think that a war is not in the interest of the bourgeois classes of either China or the United States; but the tension is such that we cannot exclude a slippage with explosive consequences. The situation is all the more unstable since both Presidents, Biden and Xi, face a fragile domestic situation.

Where is China going? I will refrain from trying to answer this question, which I leave to those more learned than myself. It would be one thing if the CCP still ruled the country, but this is no longer the case. This is Xi Jinping's clique. The latter has imposed a change of political regime. [14] Yesterday, a collegiate leadership made it possible to prepare the succession of generations at the head of the party– a factor of stability. Today, the Xi Jinping faction alone holds power. After bloody purges and the amendment of the Constitution, he can claim to lead for life.

In China too, the selection of political personnel is becoming irrational in relation to the collective interests of the ruling classes.

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[1] The term "imperialism" can be used in various historical contexts. It is used here to mean a great capitalist power.

[2] Philip S. Golub, Le Monde Diplomatique, November 2021 "Wall Street's unlikely new romance with China".

[3] Philip S. Golub, op. cit..

[4] This is acknowledged by Paul Krugman regarding his own forecasts in the New York Times of October 22, 2021.

[5] Pierre Rousset "The Chinese Experience and the Theory of Permanent Revolution".

[6] This is why it is better not to use the formula of transitional society to socialism.

[7] It has become common to use the term "Cultural Revolution" to refer to the entire period from 1966 to 1976. This is to confuse within the same periodisation the years of "tumult" preceding the repression of 1968-1969, and those of an unstable bureaucratic normalisation.

[8] Pierre Rousset "XXth Century Chinese revolutions - II - China, Maoism and popular power, 1949–1969".

[9] Daniel Tanuro "A look back at the history of East Turkestan and the geopolitics of Central Asia".

[10] For an overview of this issue, see *Globalization Monitor*, "China's overseas investments in the Belt and Road Era. A people's and environmental perspective", August 2021.

[11] The Guardian, 25 September 2016 "Barack Obama's 'Asian pivot' failed. China is in the ascendancy".

[12] Dan la Botz New Politics, 13 October 2021 "Biden Focuses U.S. Foreign Policy on Challenging China".

[13] Brian Hide, Spectre, 4 November 2021 "Caught Between the Two Superpowers".

[14] Au Loong Yu, Pierre Rousset, ESSF, 22 October 2017 <u>"The 19th Congress of the Chinese Communist Party – Modernisation by a pre-modern bureaucracy?"</u>.