China: Capitalist Discipline and Rising Protests

Anonymous

2001

China has gone through enormous changes over the last twenty years. And while it is certainly part of a single, global regime of value — and, thus, subject to capitalism’s disciplinary regimes — it is not on the path that leads to the U.S. model. All state-capital relations are hybrid systems; there is no set path or most advanced form towards which all others tend. Each existing form takes up a place within the global regime of value and competes within that regime. China, therefore, should not be viewed as further back on an imagined evolutionary scale; it has its own unique history and no form of state-capital relation is the best for all circumstances.

A simple evolutionary view of capitalism posits the U.S. as the most advanced capitalist country. By oversimplifying our present situation, such a view ignores important aspects of the development of capitalism and the state-capital relationship, and it closes us off from important spaces from which we could critique and attack capitalism. A simple evolutionary schema of social development has been with us for some time, from the early anthropologists, to social Darwinists and sociologists, to
Marxism. Such a schema places all societies on a singular ladder of development from primitive to advanced capitalist, and all societies are assumed to follow the same path. Thus what separates us from another society is an amount of time, how much further back in history they are. It is also assumed, therefore, that we can look back at ourselves by looking at other societies. Instead we need to understand how we are spatially separated from other societies. Capitalism certainly has come to incorporate the entire globe; yet we shouldn’t assume that capitalism is a process that solely homogenizes the world: all roads don’t lead to the U.S. The Chinese reforms are producing a system very different from the U.S. (not that there aren’t significant similarities).

The 1980s and 1990s mark a passage to a new form of the state-capital relation in China. The history of this change is a history of class struggle and global pressures. Within China in the late 1960s, a volatile critique of the bureaucratic institutions and internal political struggles to control alienated power brought about a transformation of the Chinese state-capital relation. The Cultural Revolution was not merely a cynical political movement, it was also an anti-political movement that attacked the institutions of alienated power. The authority of the Party was eroded and the bureaucracy lost its ability to control events; there was a massive refusal of work. At the same time there was a struggle by many different parties to regain control of alienated power, and to re-institutionalize it. After the sabotage of production reached an intolerable level, Mao and the military reasserted a degree of control.

But after Mao’s death a new political space for the control of alienated power opened. Again this space was partially produced by the continuing critique of bureaucracy that, by the late 1970s, had grown into the Democracy Wall movement. Deng Xiaoping politically rode that critique to take power over the bureaucracy. Yet Deng could in no way rebuild the power that Mao and the earlier bureaucracy held over people; a new
ing of police cars and were only put down by the army. In a few protests, police have even been killed. Rural riots have also taken place, many over water rights in the increasingly drought prone north. Farmers have even attacked gated communities on the edge of Beijing that had taken their land. Yet these outbursts haven’t been able to build into any sort of movement. The Chinese government doesn’t allow any autonomous organization. Nor does it allow independent publications to exist. When China recently signed UN covenants on human and social rights, it specifically excluded the sections that allowed for autonomous unions and free association. Not that such rights would ever be observed if they had signed them anyhow. It is autonomous organization that the Chinese government is most afraid of, and that will surely be illegal indefinitely.

Many questions remain: Will the Chinese state be able to contain the discontent that is generated by the increasing insertion of Chinese society into the global capitalist regime of value? Will such discontent find effective means of organization and action? Will such struggles find ways to communicate with each other? And, how can we act in solidarity with such struggles?

This new system had to be built, a new form of the state-capital relation. This new system had to rely more on social consensus, and could no longer command the level of control over social organization that the old system did. This new system was based both materially and ideologically on the development of technology and the advancement of efficient production. It had to import both high technology and capital for investment.

This fit well with the needs of the global capital. Capital, in its need to ever expand, was looking for new areas in which to invest over accumulated capital and to sell the surplus of over-produced products: it needed both cheap labor and willing consumers. China had both. Yet when you hear all the talk of the “vast untapped market of China,” know that the targeted market is the urban population of China, especially the coastal urban population. And the creation of this urban consumer society has brought about one of the defining features of the present Chinese society, the deepening urban/rural split. The big Chinese cities are now part of the first world: huge skyscrapers fill the skyline and are being built at a furious rate, there is a constant ringing from cell phones, gated communities spring up out of farm land on the outskirts of the cities, and the latest fashion is sold on every street. In the countryside, where 75% of the population lives, life is getting tougher and unemployment is growing.

In the late 1970’s, the Chinese reforms under Deng Xiaoping began in the countryside by dismantling the collectives and allowing households to take responsibility for growing food on leased plots. Under such a system rural incomes grew rapidly, and, in the late 1980’s and 1990’s, reform moved on to the urban industries. It is only in the last few years that state industries have had to deal with the pressures of competition. Huge layoffs have been the primary way for these industries to become profitable; still, many have gone bankrupt and been sold off. It has only been by maintaining a national growth rate of around 8% that many of these urban industrial laborers have
been given new jobs, although many remain unemployed. The nature of their jobs has also changed. The old state industries guaranteed one a job for life, health care, schooling for one’s children, and housing. These sectors of society are increasingly being privatized and most jobs offer little assistance. Many of the urban unemployed have been given make-work jobs with low pay and no benefits. And most new urban jobs are being created by private and foreign investment.

At the same time the rural economy has stagnated. The growth of rural incomes was 1.8% in 2000, whereas urban incomes rose by 6%. But for both, the rate of growth is slowing, and it is estimated that soon rural incomes will not grow at all. Rural enterprises had grown in number in the 1980’s, soaking up much of the excess rural labor. But as capitalist valorization plays an increasingly important role in decision making, these state supported enterprises have been failing at a very high rate, and only about one quarter of surplus agricultural laborers are finding employment in rural enterprises at the moment. Some rural laborers have referred to rural enterprises as “new enclosures.” At the beginning of the reform movement the enterprises came in and took over farmers land with the support of the local state, and many of the farmers were given jobs in such industries. Now that these industries are going bankrupt and being sold off, the rural laborers have no place to find work and no land to return to, so they have to head to the cities in order to survive. There is little private and almost no foreign investment in rural areas. In the 1990’s, it is the rural unemployed who have grown the fastest (the rural unemployed is estimated at around 130 to 200 million).

Yet the state seems to fear urban unrest the most, and, in order to keep the cities stable, it restricts the movement of rural unemployed into the cities. The wages and consumption in the cities are higher than rural areas. Internal migration is for the most part illegal: one needs a residence permit to live in a city. The state also raised the price of train tickets signifi-
mon with the budding capitalist class in China than with the workers. Both the government and many of the new capitalists see democracy as a chaotic force in China. And both are intent on keeping the workers from organizing or acting in their own interests. Secondly, the Party has increasingly turned to fostering nationalism in order to seem to represent the body of the nation instead of a single class within it. It continues to claim to speak for general interests not class interests. This is the prime reason for China’s spending so much to get picked as the site for the 2008 Olympic Games. Thirdly, since Deng Xiaoping came to power in the late 1970s, the Party has used technological development as one of its primary claims to power. It argues in part that it is a rule of technicians more than politicians, that science is in command, and that under its management technological development will free people from toil and poverty. One hears no end to the propaganda that science will solve and is solving the problems of the Chinese people.

But ideological claims on alienated power cannot work alone to smooth over the tensions and contradictions of society. The Chinese state also has turned to a more sophisticated management of opinion to control society. Opinion is a flattened idea that operates like a commodity. It is perfect for a consumer society in which everybody is supposed to find a market niche to fit within. In China today everyone is entitled to their own opinion, but the reproduction of opinion is controlled. Nobody cares what the average person says in their own home, but it is impossible to reproduce your opinions and spread them across society if that opinion is upsetting to the state-capital relation.

The state even allows call-in radio and television shows now: mostly they discuss tame subjects in which people discuss their personal tastes, style and products, but some cover more controversial topics, and they are more tightly controlled. Through its newspapers and media, the state circulates updates on public opinion: “all of the people of Beijing want the Olympic games here in 2008”; “the people of China understand that the...
times killing demonstrators. Common targets for sit-ins these
days are railway lines or highways. On January 12, 2001 4000
workers from the Jilin Industrial Chemical Group blocked a
public highway for three days in subzero temperatures. In Jan-
uary 1999, 100 retired workers from a Wuhan factory demon-
strated because their company stopped paying their pensions.
200 police attacked them violently. In October 1998, 500 work-
ers from an iron and steel factory in Sichuan held a sit down
strike on a vital railway line and were attacked by armed po-
lice. There have been reports of workers handing out flyers,
but of course, no publications can be produced and commu-
ication between struggles is rare and only via rumor and word
of mouth. There have also been reports of workers assassinating
bosses or managers who laid them off. While it is hard to
get guns in China bomb making material is easy to come by;
and, the number of bombings — many of them unsolved — is
on the rise. A portion of these are done by disgruntled workers.
Unfortunately the targets have been rather random. And these
protests are likely to continue to increase in frequency as the
Chinese economy comes to be more fully integrated into the
global capitalist regime of value.

The changes driving these protests are due in a large part to
the leadership’s decision to bring the Chinese economy under
the reign of the global capitalist regime of value. Since 1992,
the Chinese government has moved to make Chinese indus-
try competitive on the world market. One of the more signif-
icant moves to insert the economy into the global regime of
value was the 1994 devaluation of the Chinese currency. This
devaluation is one of the primary causes of the 1997 Asian eco-
nomic crisis, as it made the labor costs of smaller Asian nations
less competitive thus hurting their investment. The increase in
foreign investment in China (almost all in the coastal cities)
has been extremely important in soaking up unemployed la-
bor, but it hasn’t been enough. To deal with this problem the
government has also rapidly increased its spending on infras-
structure. Yet again, most of this investment has been on the
coast in the big cities. The large State Owned Enterprises have
had to become profitable, and many have gone bankrupt. The
government has also tried to spur domestic (urban) consumer
spending, giving urban workers two weeks of extra holidays
to spend money and lowering the interest rate and raising the
taxes on savings accounts. But the famous untapped consumer
market of China isn’t what it is purported to be. There is very
little consumer spending in the countryside where the majority
of Chinese live, and urban spending has been much less than
hoped for.

Another milestone in China’s move to become fully part of
global capitalism will be its entry into the WTO (probably in
the fall). Yet this will only compound the rural problems, as
membership in the WTO will particularly hurt the rural pop-
ulation. China’s agricultural goods aren’t competitive on the
world market. With WTO entry, cheaper agricultural goods
will enter China’s cities from abroad, and rural incomes, which
are already stagnating, will probably drop significantly. The
state is making a lot of noise about increasing rural investment,
but such investment is much more difficult than urban invest-
ment due, in part, to the small scale of farming in China.

In order to maintain social stability with so many tensions
coming to a fore, the Chinese state resorts to ideology as well
as force. In a society that looks nothing at all like the one Mao
envisioned, the Party has had to recreate its image and build
a new ideological foundation. It can no longer claim to repre-
sent the interests of proletarian class struggle, and instead ad-
vocates class harmony. In addition, according to a new formu-
lation by Party Chairman Jiang Zemin, the Party should first
represent “the development needs of the most advanced forces
of production.” The state represents the interest of the builders
of high tech industrial park and the commercial developers of
nanotechnology, not the proletariat and the peasant. Thus the
Party is now more open about the fact that it has more in com-