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OPENING SPEECH AT THE 13TH ANNUAL FORUM OF THE WORLD ASSOCIATION FOR POLITICAL ECONOMY

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Dear colleagues at the Berlin School of Economics and Law, participants, comrades, and friends,

This year marks the 200th anniversary of the birth of Karl Marx, and January 2019 would be the 100th anniversary of the death of Rosa Luxemburg. We are jointly holding the “Marx and Luxemburg: Legacy of Ideas and Their Values Today—The 13th Annual Forum of the World Association for Political Economy” in commemoration of these two great thinkers and revolutionaries. I would like to first express our gratitude to the co-organizers of this forum: the Berlin University of Economics and Law, the Rosa Luxemburg Foundation, and the German Foundation of Marx–Engels Studies. We also appreciate the support from the local media, and thanks to all the scholars from around the world for your participation.

World Association for Political Economy (WAPE) is an open, non-profit, international academic organization, which was formed by Marxist economists and organizations of the world on a voluntary basis. It also has important members from areas beyond economics. The aim of the association is to apply modern Marxist economics to the observation and study of national and world economies, reveal its law of development and mechanism of operation, and explore the measures for economic and social progress around the world, so as to improve the well-being of the people around the world in a faster and better way. WAPE has held

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12 annual international forums from 2006 to 2017 in China, Japan, France, United States, Mexico, Brazil, Vietnam, South Africa, India and Russia, respectively, and has gained quite high reputation and influence around the world.

The *World Review of Political Economy*, journal of WAPE, has been published by Pluto since 2010, which could be accessed in more than 2,000 libraries around the world and indexed in Emerging Sources Citation Index (ESCI; an edition of Web of Science) since 2015.

In the forum this year, we will discuss the following topics: the ideas of Marx and Luxemburg and their implications today, *The Manifesto of the Communist Party* and the world socialist movement and its economic theories, basic contradictions of capitalism and economic crisis, imbalance in economic development of the world and new changes in contemporary capitalism, economic globalization and anti-globalization, new imperialism and trade bullying, new moves of neoliberalism and military Keynesianism and their negative impact upon world economy and livelihood, international cooperation of the Belt and Road initiative, construction of new world political and economic order and community of shared future for mankind, and other theoretical and practical issues in political economy. I believe that the papers submitted to and presentations delivered at this forum will further the studies of the ideas of Marx and Luxemburg and their implications today and will improve our understanding of the theoretical issues in political economy as well as the important practical issues of the world today.

Now, please allow me to share some of my ideas on several questions concerning political economy, in general, and China, in particular:

1. This year marks the 69th anniversary of the founding of the People's Republic of China, and the 40th anniversary of the beginning of China's reform and opening up. In "Fundamental Elements of the China Model" (*International Critical Thought*, 2011) and "A Theory of China's 'Miracle': Eight Principles of Contemporary Chinese Political Economy" (*Monthly Review*, 2017), I presented analyses of the economic model underlying China's socialist market economy, which have received some attention from international academia. Now, we need to clarify further what Marxism means, how the theory of sinicized Marxism is being applied, and the great achievements known as the "two economic miracles." On that basis, it is possible to explain the still greater achievements that are in store under the guidance of the economic ideas implicit in Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and to promote the advance of China from the position of a "quasi-center" within the world system toward that of the "center." In this process, the idea that Chinese socialism has nothing to do with Marxism is a clearly ungrounded assertion that reflects an

inadequate understanding both of Marx's conception of history and of the challenges facing the Chinese people.

2. What Is Marxism, and What Is the Theory of Its Sinicization? Marxism has a broad content, and only through multi-level differentiation based on its theoretical connotations, temporal span, and spatial scope, we can truly understand its diverse yet holistic character. First, and taking Marxism in a broad theoretical sense, at least six levels can be distinguished within its content: (1) the role of the subject of its creation was played by Marx and Engels, whose legacy was then continuously enriched by their successors; (2) Marxism forms an academic system dealing with the general law of the development of nature, society, and the human mind; (3) the social function of Marxism is to develop a system of ideas that posit the socialist revolution, socialist construction, and the transition to communist society as the tasks of the working class and its party; (4) Marxism develops a system of ideas and principles dealing with the improvement of people's living standards and with the full and free development of the human being; (5) it develops a cultural and ideational system of beliefs and basic values; and (6) it develops an international system of peaceful development and of the shared community of humankind.
3. Two main channels or platforms, government and academia, are involved in the inheriting and developing of Marxism, with Marxist scholars and politicians as the two main subjects. This is not to say that people outside of these two circles cannot develop Marxism but, rather, that they have not acted as the major subjects of this development. Ever since Marx and Engels created Marxism, Marxist politicians and scholars have kept developing its ideas, making indigenous innovations that take into account national and world conditions. Despite certain mistakes, this process of nationalization has in general carried forward the expansion and development of the Marxist theoretical system. As the main subjects of this process, Marxist politicians and scholars need to build a dialectical relationship of positive interaction and common development.
4. The history of Marxism in its wide temporal span includes development brought about by classical writers and revolutionary leaders in different periods, such as Marxism as created by Marx and Engels in the era of free capitalist competition; Marxism as developed by Lenin and Stalin in the era of general monopolistic capitalism and of socialist construction in the Soviet Union (known as Leninism and Stalinism, respectively); Marxism as developed by Mao Zedong in the eras of the New Democratic Revolution, of the socialist revolution, and of socialist construction (known as Mao Zedong thought); and Marxism as developed by Deng Xiaoping, Jiang Zemin, Hu

Jintao, and Xi Jinping in the era of socialist reform (i.e., the theory of socialism with Chinese characteristics). Marxism also includes the history of the development of Marxist philosophy, economics, political science, cultural studies, and so on.

5. Marxism in spatial terms takes a variety of forms in different national contexts. For example, Leninism represents the Soviet version, Mao Zedong Thought and socialism with Chinese characteristics are its sinicization, Ho Chi Minh Thought is its Vietnamese version, Kim Il-Sung's thought on the main tasks of the party is the Korean version, and so on. Marxist economics encompasses the schools of Monopoly Capital, the Social Structure of Accumulation, and the World System in the United States; the School of Adjustment in France; the Uno School and Mathematical Marxism in Japan; the Comprehensive School of Innovative Marxist Economics in China, and so on.
6. Under the guidance of Mao Zedong Thought, China made great economic achievements, that is, "the first miracle." China completed its heavy industrialization in about 30 years from 1949 to 1978, before the launching of the reform and opening up policies and established a national economic system that was relatively complete and that could maintain basic self-sufficiency relying on its own internal circulation. At the same time, it armed itself with missiles, satellites, and nuclear weapons. Over this period, China had one of the world's fastest developing economies, and its economic growth rate, with GNP increasing at an average of about 6% per year, allowed it to catch up with and surpass the vast majority of countries in terms of overall economic output. Meanwhile, the level of important indicators such as social productivity, comprehensive national strength, and the living standards of the population improved enormously compared with those before the founding of the New China. Some of the important economic gaps between China and major developed countries were being continuously narrowed. Although during this period, the regions of Hong Kong, Macao, and Taiwan in China also underwent economic development, they could not match the "first miracle," that is, the development of the entire national economy of the mainland China, including industry and technology. Moreover, this was achieved under various adverse conditions including economic blockade by the imperialist countries; the rupture with the Soviet Union; the granting by China of excessive quantities of international aid; "ultra-leftist" domestic policies; and a rapidly increasing population. Therefore, the *Resolution on Several Historical Issues of the Party since the Founding of the People's Republic of China*, drafted by Deng Xiaoping, affirmed,

Major achievements have been made in industrial construction, and independent and relatively complete industrial and national economic systems have gradually been established. . . . Agricultural production conditions have changed significantly and the level of production has improved greatly. . . . The levels of education, science, culture, public health, and sports have been greatly raised.

The country's new Constitution, adopted by the National People's Congress in March 2018, observed that

The victory in China's New-Democratic Revolution and the successes in its socialist cause have been achieved by the Chinese people of all nationalities, under the leadership of the Communist Party of China and the guidance of Marxism–Leninism and Mao Zedong Thought, by upholding truth, correcting errors and surmounting numerous difficulties and hardships.

Thus, it was not any failure of the socialist planned economy that made China turn to the socialist market economy. On the contrary, the socialist planned economy retired after meritorious service, while the socialist market economy carries the cause forward and forges ahead into the future. If the socialist market economy functions well, it can register greater achievements than the traditional planned economy. In attempting, however, to demonstrate the necessity for and the great achievements of reform and opening up, various domestic and foreign texts have adopted an attitude of historical nihilism toward the development during the first 30 years. These texts speak only of mistakes and shortcomings, going so far as to use distorted means as they basically deny and misrepresent the relations of inheritance and development that link the epochs before and after reform and opening up. This is something very harmful for people who try to obtain a scientific understanding of the historical development of China's steadily increasing prosperity, to summarize the historical experience and lessons in China objectively, and to grasp the law of scientific development. To address this problem, the report of the 19th CPC National Congress stresses that since the founding of the New China, "China has continued to become prosperous and strong."

7. The theory of socialism with Chinese characteristics guides China in attaining greater economic achievements, namely, "the second miracle." During the 40 years of reform and opening up, China's national economy has taken off at an accelerated rate. Annual Chinese GDP growth over this period has averaged about 9%, which ranks first in the world and is far higher than the global economy's average growth rate of about 3% during the same decades. China's growth has been much faster even than that experienced in

Germany, Japan, and the United States during their industrial rise or “golden age of development.” At present, China’s national economy and foreign trade are both ranked second largest in the world, while the country’s foreign exchange reserves are the world’s largest, indicating that China’s comprehensive national strength and international status are also in the global front rank. China’s annual per capita GDP has reached more than 8,000 US dollars. The living standards of the population are close to making a historic leap from adequate food and clothing to the point where they represent a comprehensively well-off life. At the same time, China has also scored remarkable achievements in democracy, cultural prosperity, social development, national defense, and diplomacy. In terms of people’s wealth and of China’s national strength, the best comparisons are longitudinal, meaning that a comparison should be made between the old China before 1949 and the new one since then. As for horizontal comparisons between China and other countries, an appropriate one might be with India, which before its independence from Britain shared many of China’s basic national conditions. Or, the growth rates in China of certain important indices might be compared with those in the United States and Sweden. If we make our comparisons in this scientific manner, the conclusions are obvious. As is well known, the world-famous Marxist economist Samir Amin (2008) advanced and demonstrated the “center–periphery” theory in his influential work *Accumulation on a World Scale: Critique of the Theory of Underdevelopment* (first published in 1970). Raúl Prebisch, the famous Argentinian economist, also published his book *Peripheral Capitalism: Crisis and Transformation* (1990). In the light of these texts, the question arises: is today’s China a peripheral country dependent on developed countries? The United States and other G7 countries make up the center of the contemporary world economy. China is not dependent on them, and nor is it a peripheral country; therefore, a new concept, that of a country at the “quasi-center,” needs to be put forward. China’s economic power, as well as its prominent position in science, education, culture, health, and sports, and its role in advocating the Belt and Road Initiative for international cooperation, BRICS, the Asian Infrastructure Investment Bank, the Shanghai Cooperation Organisation, and so on have demonstrated that China currently occupies the important position of being the “quasi-center” of the world economy. For reasons of space, this theme is not discussed in detail here. Meanwhile, China encounters hostile commentary in the Western media, and even in some Latin American media outlets, criticizing it for its cooperation with Latin America and Africa in the fields of investment and energy and voicing concerns that China is imposing a new type of “center–periphery” dependency relationship.

On this point, China should make clear that when its spokespeople say that their country is progressing to the “center” of the world economic arena, this does not mean that China intends to follow in the tracks of the new and old imperialist nationalism and colonialism of Western “center” countries. Nor has China any intention of following their path of utilizing the advantages of advanced economic and technological status as tools for exploiting the labor of other countries. The position that “center” China is pursuing amounts in fact to striving to promote the development of a human community of interests and destinies based on China’s self-development. China needs both to catch up with the traditional “center” countries in terms of economic and technological development, in order to be able to cooperate on an equal basis with developed countries, and to implement cooperation which is helpful to the traditional “periphery” countries. In this way, it can provide these countries with practical example of development, while at the same time, providing leadership to the whole world in jointly establishing a new international economic order, fostering common international economic security, and, through collaboration, promoting economic globalization on a fair basis. These Chinese concepts, of foreign relations based on peace, development, cooperation, and the principle of “win–win,” have their roots in Marxist theory and its sinicization and are closely connected with theories of Marxist political economy.

Dear friends and comrades, these are a few points of mine for your reference. I would be more than happy to hear your comments about them. I wish you a pleasant and fruitful conference, and greater friendship among us.

Thank you all.