

OPENING SPEECH AT THE SIXTH FORUM OF THE WORLD ASSOCIATION FOR POLITICAL ECONOMY

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Today we are gathered together at the beautiful campus of the University of Massachusetts Amherst, for the sixth annual conference and the forum of the World Association for Political Economy, to discuss the issues of global economic development under the impact of economic crisis in the West. On behalf of the World Association for Political Economy, I'd like to extend a warm welcome to scholars and friends from all over the world, and to express sincere gratitude to UMass Amherst and the Union for Radical Political Economy who offered to help organize this forum.

The theme of this forum is "Response to the Capitalist Crisis: Neoliberalism and Beyond." Around this theme and under the guidance of Marxism, the forum will discuss the following twelve issues:

1. Class analysis of the responses to the financial and economic crisis.
2. Is neoliberalism facing a dead end or will it survive the economic crisis? What might replace it?
3. What are the strengths and weaknesses of the revived Keynesian economics?
4. What problems are posed by the rising national debt in many countries?
5. The prospects for major institutional and regulatory reform in the global economy and in individual countries.
6. Class analysis of the growth of right-wing movements in response to the economic crisis.

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7. Lessons from the history of past capitalist crises for the present.
8. The problems of and opportunities for building socialism in the midst of capitalist crisis.
9. Can the euro survive the current economic crisis?
10. The danger of serious conflict resulting from tensions among states due to the economic crisis.
11. Can the East Asian Model be accepted in other parts of the world?
12. Human Development Economics in Political Economy.

I believe that with the active participation of each of us, this forum will yield substantial theoretical results in the above research fields.

Ladies and gentlemen, the common theme that concerns each country is how to find a way to break the deadlock brought by the economic crisis and to realize equitable and sustainable economic development. As everyone knows, the capitalist financial and economic crisis has slowed down the growth rate of world economy, trade and industrial production. Although each of the major economies has carried out policies against the crisis, the recovery in capitalist countries is weak. The production utilization rate in the US is still at a low level, while the unemployment rate is high; the fiscal deficit in the European Union has been tightened due to the sovereign debt crisis, “which may lead to the loss of ten years as has happened in Japan” (as commented recently by Joseph Stiglitz); deflationary pressure remains high in Japan with the economy growing slowly. Emerging economies have different economic growth rates, and they are all under mounting inflationary pressure. As stimulus programs have been carried out by each country, uncertain risks continue to threaten the world caused by unemployment, deficit, debt, excessive production, inflation and Quantitative Easing policy in the US. Development of the world economy is surely facing serious challenges.

Marx pointed out more than 100 years ago that world market crisis should be treated as the practical synthesis and forced balance of all contradictions of the capitalist economy. More than 100 years have passed, and capitalist economy still needs crisis to achieve forced balance and carry itself forward. The root of crisis, i.e., the basic economic contradictions of capitalism, remains, and what has changed is only its manifestation. When neoliberalism prevailed all round the world, and some hailed for the “end of history” for socialism, neoliberalism and Keynesianism, which have evolved into the economic paradigm and political program of international monopoly capital, did not bring prosperity to the world economy. On the contrary, they led to global economic turbulence, and the polarization between rich and poor world-wide has been aggravated, and gaps between regions, countries, ethnic groups and classes have widened. The stories of “universal value” and “end of history” haven’t come true, which announce that capitalist privatization and western liberal

democracy supplied the human race with the direction of development. The world political and military situation decided by economic conditions have not been more stable with dominance by “one super power” and the EU’s “collective imperialism” (as Samir Armin put it). What is brought to the world by capitalist values of economy, politics, culture and the military are the freedom of monopoly capital and the consequent unprecedented chaos and disorder, rather than the freedom of the working people. Now, anyone without prejudice can clearly see that capitalist theories and policies of various forms dominated by the United States cannot save capitalism but only deepen the contradictions of the world economic system, supplying good lessons for understanding history. Even Francis Fukuyama, who once proposed “the end of history,” has to admit in his book *After New Conservatism* that critique against the US conservatism is convincing, and the solution lies in changing the established reality and constructing a “multi-polar world.”

Capitalist crisis is a mirror, which reflects the direction of future development of the world. Under the capitalist crisis, tensions continue to grow between the demand for capital proliferation and the deterioration of workers’ living conditions, between the expansion of international monopoly capital and development of national economy, and between economic growth and the ecological environment. This will significantly speed up the process of polarization, re-construction and re-establishment, while the era of “dominance by one super power” will be gone forever. It can be expected that three things will be superseded in the future of our world. First, we will transcend neoliberalism and Keynesianism in economic development and re-recognize the limitations of liberalization, privatization and marketization dominated by international monopoly capital. Efforts by ordinary people to get rid of poverty will be based on real economic rights, especially the ownership of means of production, and equitable systems of economic globalization, localization and collectivization will be constructed. Secondly, we will transcend the world political situation of “dominance by one super power,” and stop interfering in other countries’ internal affairs and human rights issues while domestic human rights and democracy require improvement; we will protect freedom and democracy for the people and the diversity of expressions of freedom and democracy, and construct political multi-polarization of democracy and mechanism of national self-defense. Thirdly, we will transcend capitalist value monism in cultural development, recognize the differences between national and ethnic cultures, and build systems of cultural diversity and communication. We have every reason to believe that the developing and deepening capitalist crisis will awaken around the world the working people’s aspiration for and exploration of social formation of a higher level, and enhance theories and movement of world socialism.

The unremitting exploration of post-capitalist social formation is a magnificent deed of human society since the 20th century, which offers both experiences of

success and lessons of failure. It is the 20th anniversary of the disintegration of the Soviet Union this year. The disintegration of the Soviet Union constitutes the end of the polarized opposition and evolution of “the dominance of one superpower,” which accelerated the expansion of capitalism around the world, and resulted in the aggravation of world-wide financial, resource, environmental, territorial, national and regional problems. The disintegration of the Soviet Union doesn’t mean that socialism will not work, or that Marxism is obsolete. Much research reveals that the primary reason of the disintegration of the Soviet Union lies not in the so-called defects of the Soviet Union’s planned economy, low living standards or lack of democracy, but in the conscious betrayal of Marxism and the abandonment of the socialist system by the leadership of the Soviet Union. The abandonment of the socialist system didn’t bring economic miracles to Russia and countries in Eastern Europe. On the contrary, these countries were mostly in trouble with economic recession and sluggish growth.

In the meantime, countries such as China and Vietnam, which have carried out socialist market economy, Belarus, which has advocated “Market Socialism,” and Venezuela, which has implemented “21st Century Socialism,” all develop well and rapidly. The successful experiences of these countries demonstrate that new economic models with socialist characteristics are more effective than the capitalist economic system such as neoliberalism in the US and Keynesianism in Northern Europe. Socialism with Chinese Characteristics is a fruitful exploration for large developing countries. The goal of China in terms of its economic system is to implement a multi-ownership system with primacy of public ownership, a multi-factored distribution system with labor at its center, a multi-structured market system led by the state and a multi-dimensional opening system with independent development at its core. China needs to adhere to and perfect its socialist economic system and mechanisms through all kinds of challenges.

Dear colleagues, it should be made clear that western countries are spreading around the world their economic values, theories and policies through the Nobel Prize in Economics. The so-called Nobel Prize in Economics, whose full name is the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel. The Sveriges Riksbank, as the national bank of Sweden, however, has its stock rights owned neither by Swedish people nor by the state of Sweden, but by “International Sponsors,” which makes this prize a bourgeois economics prize in the name of Nobel. It takes as its criterion the mainstream ideology of Freemasonry as a semi-secret right wing organization, and assumes distinctive political and ideological connotation. Progressive bourgeois or petty bourgeois economists such as Galbraith who proposed “New Socialism” in the US, and those of the “Cambridge School,” who try to compromise Keynesianism and Marxism, have both been excluded

from being awarded the prize. Nobel's grandnephew Peter Nobel called the prize a "cuckoo in the name of Nobel."

That being said, in this conference, besides the third Distinguished Achievement Award in Political Economy for the Twenty-First Century, the council of WAPE will present the first "World Marxist Economics Prize." From this year on, we will select one or two distinguished Marxist economists with innovative ideas and award them in our annual conference. This is a prize for scientific innovation and an award for outstanding lifetime contributions corresponding but superior to the Nobel Prize in Economics. But as some members of the council emphasized, bourgeois economists need a monetary award to confirm their false theories, whereas we Marxist economists have no need for that. Therefore, the "World Marxist Economics Prize" will only consist of a certificate of honor and a souvenir.

The council of WAPE believes that the two prizes, for Achievement and for Lifetime Contributions, will encourage the innovation and spreading of theoretical studies of modern Marxist economics, as well as promote communication and cooperation among Marxist economists around the world.

Lastly, I wish everyone health and a happy experience during the conference.

