China: Globalization challenge, Nationalist response

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The ‘Anti-Globalization Movement’ captured world attention again from 11 to 18 December 2005, when Korean farmers stormed the Hong Kong Police barricades to protest against the 6th Ministerial Meeting of the WTO. At the peak of the action week there were 7000 protesters. Local participation from Hong Kong was weak, at most 2000. What should be more striking was that Mainland Chinese participation was even weaker. It was the first time that a major ‘anti-globalization’ event took place at the door of Mainland China. South Korea, with a population of 50 million, sent 1600 protestors to Hong Kong. Meanwhile, only a handful of Chinese activists were present, and probably none from rural area, although China population has reached 1.3 billion. Is it because China plays an insignificant role in the era of globalization? Obviously not. Today it is common knowledge that China has emerged as a major global importer and exporter, and is the top FDI (Foreign Direct Investment) recipient country. It is a big player in pushing for free trade as well. But contrary to what many Asian NGOs hoped or expected, at the last Ministerial Meeting of the WTO, China joined hands with India and Brazil to make a deal with the US and the EU, successfully concluding the negotiation and thus saving the Doha Round from a second failure.

The People’s Republic of China, while pushing for a fiercely pro-free trade and pro business agenda on one hand, maintains an iron fist in crushing any form of autonomous organization and social resistance against neo-liberalism on the other. The repressive regime in general and the ban on independent trade unions, strikes, and demonstrations has helped China evolve into the sweat shop of the world--a great engine driving the global race to the bottom and thus a great trading partner of the US. It has also, ironically, lays the ground for a rising nationalist response to globalization.

Although the ‘anti-globalization’ movement, defined as a mass campaign against neo-liberalism from below, does not exist in Mainland China at the moment, it will definitely rise up in the medium term, for the simple reason that China’s complete re-integration with global capitalism has resulted in ever growing grievances. After

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more than 20 years of high growth at the expenses of the toiling masses, in recent years we have witnessed a continuous development of spontaneous social resistance to the onslaught of privatization, exploitation and unemployment. In 2007, when the transition period for accession to the WTO is due, China will have to open up nearly all of its markets. Even if Chinese domestic industry and agriculture are able to ultimately survive or even enjoy more growth, it will be a period of even greater re-structuring and crisis. To sum up, China is now entering a new period of crisis. It is more a question of which direction the resistance will go than whether it will die down on its own.

Though social movements have not been allowed to develop, for the past 10 years there have been a heated debate on globalization among intellectuals. In a broader sense there has already been an ‘anti-globalization’ movement for more than a decade, if we define the term to include theoretical debates. While the New Liberals embrace globalization, the so called New Left has been arguing against it. The outcome of the debate will have important bearing on the future course of China and its social resistance to globalization. The purpose of this essay is to review this debate, and as well as identify the rise of nationalism as the biggest challenge to the Left, and examining both the strengths and weaknesses of the New Left argument.

**Nationalist version of anti-globalization**

Corporate globalization has been remarkably successful in driving down wages and the welfare of working people across the world. Globalization as such must be and has been resisted, hence the birth of the so-called ‘Anti-Globalization Movement.’ The movement is vastly heterogeneous, but internationalist aspirations are strongly visible.

The foregoing statement should, however, be balanced by the fact that there exist nationalist sentiments and even far right thinking in the discourses of anti-globalization as well.

Ray Kiely has observed that

“One of the most prominent populists in the United States, Pat Buchanan, has blamed globalization for the decline of manufacturing employment, the erosion of national sovereignty, increasing immigration, and the movement towards global socialism represented by institutions such as the IMF and World
Bank……. This appeal to tradition is also a unifying theme among other right-wing challenges to globalization, including Hindu nationalism in India, Islamic nationalisms in the Middle East and Asia, and resurgent fascism in Europe. Right-wing nationalism therefore appeals to ‘the people’ and the nation as a defensive response to the uncertainties of globalization.”

Gerard Greenfield, in his essay *Bandung redux: Anti-Globalization Nationalisms in Southeast Asia*, expresses deep concern over the rise of Asian nationalism:

“While the mass mobilizations that occurred in response to the Asian economic crisis of 1997-98 broadened the base of anti-globalization movements, the revolutionary potential of these protests and their limitations remain subjects of debate among activists. What these movements did show was the primacy of nationalism as the reference point for popular discontent with globalization, whether understood primarily in liberal terms as corporate globalization or in more radical terms as capitalist globalization or imperialism. Across a broad political spectrum, the IMF emerged as both symbol and source of the injustice and social devastation wrought by the crisis and its aftermath.

“The desire for an independent strategy to emerge from a correct set of policy choices, unrelated to the structural power and interests of capital, is a recurring weakness in the (Thai) Visions Project. Insofar as capital is incorporated into the analysis at all, it is premised on a foreign-national dichotomy according to which national capital becomes virtually synonymous with the nation……. One of the most remarkable aspects of the Thai Rak Thai Party’s ascent to power in 2001 was its ability to draw into its ranks prominent figures from NGOs and social movements…….These broad political alliances enabled Thai Rak Thai to channel nationalist sentiment into a comprehensive political project aimed at radically reorganizing the state to better serve the interests of ‘progressive capitalists’. “

In the globalized market today, big and even medium domestic capitals are integrated into global competition. It follows that the term ‘national capital’, understood as something separate from and opposed to foreign capital, is more misleading than ever. If the Left and the labor movement align with national capital to oppose ‘Western Imperialist’-led globalization, it might turn out that labor will merely be helping national capital to further reinforce the logic of globalization, albeit a version of

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3 *The Clash of Globalizations – Neo-liberalism, the Third Way and Anti-Globalization*, Historical Materialism Book Series, p.177.

globalization which may be a bit more favorable to ‘national capital’s’ needs. Thus the nationalist response to globalization necessarily subjects working people to the interests of ruling elites in the fight for the supreme cause of an often fictitious ‘national’ interest.\(^5\)

**A new banner for the CCP**

The first well known Chinese Nationalist is He Xin, who was allowed to put out anti-Western books in the early nineties, against the background of the post-Tiananmen crackdown and the subsequent sanctions imposed by the West. What is worth noting is not He Xin’s nationalist response to the hostility of the West at the time, but rather the fact that little debate was stimulated by his book. Even after the US stopped and searched the Chinese ship *The Milky Way* in international waters, little public protest could be heard. When in 1996 the nationalist Wang Xiaodong put out the book *China Can Say No* targeting the US as the chief enemy, there was some sensation, but this soon died down. It was not until May 1999 when the US bombed the Chinese Embassy in Yugoslavia, triggering off massive anti-US protests, that nationalism definitely made a come back. I define this as the New Chinese Nationalism. While old Chinese Nationalism between 1840-1949 was to a great extent a legitimate response to foreign aggression and popular aspirations for national independence, this New Chinese Nationalism is entirely different. It is both a response by the ruling elite and important parts of the intellectuals to internal and external problems, aroused during the course of re-integration with global capitalism, and also advocates to modernizing China via strengthening the one-party state. The ultimate purpose of New Chinese Nationalism is the re-building of the glory of the past great China Empire, thus the propaganda on ‘the rise of China’.\(^6\). It does not contain anything progressive.

Zheng Yongnian of the National University of Singapore, in his book *Globalization and State Transformation in China*, argues that the revival of nationalism springs from the new needs of the CCP:

“In the post-Mao era, the search for political legitimacy has replaced the foreign threat and has become the primary factor underpinning the revival of Chinese

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\(^5\) We have to differentiate national identity and the attachment to national culture from nationalism, though. We have to be careful not to identify the Keynesian economic program or of the welfare state with nationalism as well.

\(^6\) On this subject please refer to the author’s *Post MFA era and the rise of China* at the website of Globalization Monitor: [http://globalmon.org.hk](http://globalmon.org.hk)
nationalism. In other words, the main sources for nationalism in the post-Mao era are domestic rather than external.”

Elsewhere he elaborates what he means by ‘the search for political legitimacy’:

“Nationalism has been used by the Chinese Communist Party as a response to the decline in Maoist faith, and nationalism is ready to become another vision of the CCP ideology.”

Zheng’s dichotomy of domestic/external is not entirely satisfactory. Yet his contention that the CCP’s needs nationalism for its new source of legitimacy is correct. In place of a vision of a world communism with China occupying the leading role (a vision which had become obsolete by the early 1980’s), the project of building a great Chinese Nation and recovering the leading position it enjoyed until 1840 seems more plausible. Moreover, it is in the interest of the one-party state to divert popular discontent, such as the 1989 democratic movement, to external enemies. Hence the CCP began to change course on the issue of nationalism, and in practice encourage its re-awakening. The CCP’s previous position on nationalism was to condemn it as the ‘bourgeoisie’s viewpoint on nations’. As a matter of fact, there has always been an element of nationalism in its policies on ethnic minorities, public education and cultural program through out its rule—however they are packaged as patriotism. Yet it has not explicitly endorsed nationalism, let alone allow openly nationalist writings to be published. The policy began to change in the 1980’s, when the CCP gradually opted for a full-scale embrace of global capitalism.

The CCP may loosen control over part of the economy, even the financial sector, to private business and foreign capital, but it is not going to loosen control over production and distribution of information, because it does not want to concede power over what and how people think. When basically all publishing houses, media, and film companies etc are still in state’s hands, and have not affected by the great wave of privatization, what the CCP allows or forbids to appear in public is paramount in the shaping of ‘public opinion’ and debate. No book is ever published, no film is ever made, without prior approval from the Party. It is here that the state’s position or

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8 Ibid, p. 41
9 “Nationalism is the bourgeoisie’s viewpoint on nations; its program and principle in dealing with national issue….. In colonial, semi-colonial countries and independent nation, national struggles against imperialism, nationalism is to a certain extent progressive, but only to the extent that this is in accordance to the interests of the bourgeoisie…..The world view of proletarian parties is internationalism, not nationalism.” Ci Hai (Dictionary), Shanghai Dictionary Press, 1980, p. 1805
‘taste’ becomes crucial. All dissident voices have been severely censored ——
democratic appeals, labor advocacy, and even mild critiques of environmental policy.
For instance, when a Chinese publisher prepared a Chinese edition of Blue Gold by
Tony Clark and Maude Barlow, which contained a mere few paragraphs mildly
criticizing Chinese policy on water and rivers, this material was regarded as offensive
and, hence, censored. Conversely, the Party allows the production and wide
distribution of nationalist works in all areas. For the past ten years we have seen book
after book and TV program after program glorifying past great Emperors, advocating
Chinese Chauvinism and Anti-Western thinking, or even outright Social Darwinism
and fascism. Between 2004 and 2006, a state publisher printed 900,000 copies of the
novel Wolves Totem, that tells the story of the fierce and vigorous Mongolian Wolves.
Fearing readers might not understand him, the author wrote a long postscript to tell
readers his motive. According to him, the Chinese must learn from the Mongolian
Wolves in order to survive in the jungle of globalization; that Chinese Civilization
was once so great was only because it had, for thousands of years, absorbed the
culture of wolves worships of northern nomads, which helped the elites to maintain a
great empire. This is outright Social Darwinism and Chinese Messianism. Though this
book was published in a personal capacity, the CCP cannot evade its fair share of
responsibility, nor can it defend itself by referring to the principle of free speech, for
there is no such thing in China.

In the 1980’s, themes of TV programs and books were often dominated by a deep
sense of national inferiority, fear of being marginalized in global competition,10 and a
yearning for social reform. The mood has radically changed since the middle of
1990’s, when the CCP became confident that the West could not resist the temptation
of the huge Chinese market, and that Western governments and capitalists were ready
to forgive the 1989 crackdown in order to have a share of that market. The fact that
China has been able to avoid the miserable fate of Soviet Union, and in contrast she
has been experiencing high growth has further boosted the self-confidence of the
CCP. It is against this background that since the middle of 1990’s there has been a
change of tone in ‘public opinion’, TV programs, journals and books, etc. In place of
national inferiority came a sense of national self-assurance and an eagerness to
recover the past glory of the Middle Kingdom. The 1999 bombing of the Chinese
Embassy by the US further reminded the CCP and common Chinese that the US is not
a reliable partner after all, and the sense of external threat further provided fuel for
nationalist feeling. It also coincided with a period of intense negotiation with the US

10 There was then a common and deep anxiety across social classes on the danger of China losing
qiu-ji, or global citizenship, because of the slowness of reform.
over China accession to WTO, in which the US was forcing China into more concessions than most developing countries need to make. Furthermore, foreign capital has been fast in buying up Chinese firms, which many have regarded as a threat to economic security of China.

**The New Liberal, the Nationalists, and the New Left**

We have seen that Zheng regards “the main sources for nationalism in the post-Mao era are domestic rather than external”. This is a hotly debated issue between the New Liberals and the ‘New Left’. By the term New Liberal we refer to the Chinese liberals and neo-liberals. Mixing the two together under the same category reflects the fact that it is difficult to distinguish the two in the Chinese context. Although in the West the dividing line between the two has been blurred, in China we can witness liberals like Yu Jie overflowing with such enthusiasm over privatization, WTO, sacks of SOEs workers and the US attack on Iraq, so on and so forth, that they carry little liberal value that is progressive. The ‘New Left’, according to Dale Wen, a visiting scholar in US and also one of the New Left, may include people from ‘social democrat to Economic Nationalist to Maoist’. The New Liberals tend to think that the greatest enemy of China is its own obsolete institutions while globalization is the incarnation of the main current of modernization and civilization. Accordingly, the greatest horror for China is to stop half-way towards a full integration with it. So if there is a rise of nationalism it is only the fault of domestic institutions. Zheng’s comment echoes what the New Liberals have been arguing in their debate with the New Left. Meanwhile, the New Left, or at least leading spoke persons of it, tends to argue in the opposite direction. If anything goes wrong in China, the blame should lie on external enemies, namely globalization and imperialism. When prominent New Leftists ever make charges against the CCP, it is that the CCP being too soft in dealing with external challengers. In the dichotomy of market / state, foreign / national, West / East, the Liberals tend to argue in favor of the former paradigm, while the New Left tends to favor the latter paradigm.

In 2004 the New Liberals put together their polemics against the nationalists and the New Left in a book *Qian Liu (Under Current) – Critique on and Rethinking of Narrow Nationalism*. One of the authors, Xiao Xuehui, attacked the nationalists for believing:

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11 *China copes with globalization --- a mixed review*, published by International Forum On Globalization, p.39
12 There are of course New Leftists who are less pro-government, but very often they are less well known. A major exception is Wang Hui.
“that ‘the law of might makes right still constitute the basic principle of this world’……..The nationalist cannot see that many countries in the world, US included, is…. making the rules (governing the world) more just, more fair and reasonable in their handling of international affairs.” 13

The more famous liberal, Qin Hui, argued that

“Liberalism, in the final analysis, implies Universalism. This is because economic liberalization and its impartiality demands that all factors of production move freely around the globe…….. Under the conditions of fair competition, the return of the factors of production tend to be equalized….. For poor countries, to fight for free movement of all factors of production is more advantageous than to fight against free trade. Universal Liberalism is necessarily more effective than nationalism in the defense of national interest.” 14

The New Liberals actively support China’s accession to WTO. Liu Junning, another well known liberal professor, suggested that

“China's accession to WTO will pressure the Chinese institutions of economic management to reform… When Western companies come to China in large scale, they will demand a more open and fair market economy….. Accession to WTO requires the Chinese government to increase openness of its policy and action…. This is determined by the principle of openness of market economy and the principle of accountability as well….. Accession to WTO implies a China now officially integrated into the world capitalist system and its entire economic and political institution, characterized by market economy and democracy.” 15

This is the crudest version of market determinism one can imagine. But let us proceed to read their writings on politics and wars. The famous Yu Jie condemned the New Left for their denouncing of the US’s attack on Iraq in 2003, identifying this as support for Saddam. “There is a kind of war,” he wrote, “which is fought to defend the ultimate value of liberty and humanity. We regard the USA’s war against the Saddam regime of Iraq as one of these…… Days ago, a group of Chinese intellectuals issued a so-called anti-war statement. We believe the statement represents an exacerbation of the degeneration of Chinese intellectuals. The authors of this

13 Published by Huadong Shifan Daxue Chubanshe, 2004, p. 16
14 ibid, p.316-7
15 Beijing Spring, Jan 2000, Hong Kong.
statement disregard the universal moral value of humanity, and express deep rooted hatred against the US which represents civilization and the progress of humanity.”  

One may wonders if a sincere liberal could have written that. In Yu Jie's case one may even suspect that he is simply an accomplice of the US Empire. The New Liberals' enthusiasm for privatization, which has resulted in 40 million workers being sacked, has given the New Liberals a nick-name the “Partitionists” (of state assets).

While the New Liberals tend to embrace everything arising from globalization, Nationalists like Wang Xiaodong are just the opposite. In the aftermath of the US bombing of the Chinese Embassy, Wang published a book *The Chinese Road Under the Shadow of Globalization*, which mocks the post-Cold War world as nothing but the same old story of ‘might makes right’, in contrast to the notion of the New World Order as promoted by the elder Bush. He regards the pro-US Liberals as nothing but people who deny their own cultural and traditional identity, which he labels as ‘inverse racism’. He repeatedly argues that since the nation state is still paramount for security, it follows that nationalism is still an important value. Instead of uncritical integration with globalization, China should opt for ‘splendid isolation’, should place no hope on any alliance with any state, and rely only on her own defensive capacity. In 2000 he released *On Contemporary Nationalism* which refers positively to the Nazi theory of ‘living space’, and openly embraces Social Darwinism.

However, the rise of the ‘New Left’ and some of its main spoke persons’ subsequent embracement of nationalism since the turn of the century is of more important than the works of old nationalists. For, unlike old nationalists, major figures of the New Left are drawing the attention of the leadership of CCP.

The term New Left may lead non-Chinese readers to evaluate them in the light of the 1960’s New Left. However there is no ideological link between the two. The Chinese New Left is a term used to distinguish it from the Old Left, or Conservatives, who are die hard Stalinists. The New Left is by contrast very diverse. People considered to be New Left have huge differences among themselves. Their main common ground is a critique of globalization, the market, privatization, and liberal democracy. There is less agreement among them as to the alternatives to liberal or neo-liberal discourses. A common point may be the emphasis on the role of the one-party state, the value of collectivism, the importance of holding the multi-ethnic Chinese state together, a

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16. [http://www.wtyzy.net](http://www.wtyzy.net)
17. Published by China Social Science Press, 1999.
more autonomous path of economic development, and reference to a Maoist legacy, although not every one of the New Leftists share all of the above.

Major spokespersons of the New Left display strong statist tendencies and support for the one-party state going back as early as the post Tiananmen crackdown period, although at the time the term New Left had not yet appeared. While the New Liberals welcomed the collapse of Soviet Union, the New Left regards it as a disaster, a fate which China must try to avoid at all cost. In fact, their anxiety to keep the multi-ethnic Chinese state — with the Han being the dominant ethnicity — intact is so great that one may say that it is their primary concern, overriding all other values, be it democracy or equality. Their skepticism toward neo-liberalism and liberal democracy is chiefly driven by their anxiety about ‘stability’, which they see as threatened by market reform, accession to WTO, implementation of parliamentary elections, etc.— all these are not desirable because they may lead to the collapse of the Chinese state. In fact this train of thought echoes the Deng and Jiang administration’s well known statement at that time: Stability overrides everything! The statement is a reply to any aspiration for the rehabilitation of the 1989 movement, or for democratic election, or freedom of speech. It is obvious, then, that the first New Leftists are simply allying themselves with the authorities. The first well known New Leftists to write on this were Wang Shaoguang and Hu Angang. While the liberals believe the state must shrink in order to facilitate a growing market economy, Hu and Wang argue the opposite. In 1993 they published *A Study of China State Capacity* in which they argue that a strong state is necessary for the market reform. They argue that the revenue of the central government has been far too low, which makes China vulnerable to centrifugal forces that might ending up like Yugoslavia. While the particular issue of central revenue may be a case worth making, the authors in fact have a larger concern than this. Two years later Hu produced *Challenging China* expressing his worry on a possible collapse after Deng’s death:

“Whether China can peacefully and stably make a transition to the post Deng era is the core issue……..Mao Zedong knew that the Cultural Revolution which he had launched was very unpopular; in contrast Deng Xiaoping knows that the reform and openness which he launched is popular……But he knows that a country’s fate depending on the authority of one or two particular persons is unhealthy and dangerous…which makes the present need to strengthen institutional reconstruction ever more important and urgent.”

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The major advice he gives for ‘institutional reconstruction’ is not only the strengthening of central power through tax reform and the eradication of corruption, but the strengthening of the present one-party state. Another New Leftist, Cui Zhiyuan, refers to the Maoist legacy and calls for ‘mass participation’ and ‘economic democracy’. He is deeply skeptical of liberal democracy and parliamentary elections, seeing them as vulnerable to manipulation by the wealthy. He praised Mao’s idea of the AnGang Charter the best alternative. AnGang is a steel mill which in the Sixties had promoted the idea of workers participation in the mill’s management, while cadres took turns working in the workshops. The experiment received Mao's endorsement, for he saw it as an expression of economic democracy. Cui writes:

The AnGang Charter “is the best part of Mao’s Thought. Disregarding those mistakes made during the implementation of AnGang Charter, its idea of economic democracy is still a treasure of spiritual resources for China in the coming of the 21st Century.”

The AnGang Charter, is largely forgotten in China now, but according to Cui it flourishes in Japan and has become mode of operation of the Toyota company, which due to its post Fordist organization allows elements of economic democracy.

Toyoda as a model for economic democracy? Cui favors election as long as party politics is banned, because with the ban

“it will avoid a scenario where opposition parties confront the ruling party…..The Chinese Communist Party implemented the monistic leadership of the Party since 1943. This has two implications, firstly, it reinforces the control of the party (over the society), secondly, it makes the interest of the Party and the interest of the country merge.”

‘Merge’ by killing hundreds if not thousands of innocents in 1989? But let us return to his model of AnGang. It must be stressed that AnGang never had workers’ participation, through democratic election, in its top management, nor at the plant level, nor at the workshop level, but only at the work team level. It looks pale if compared to the workers’ self-management model of the former Yugoslavia which granted workers power to choose the management. To make a big case of ‘economic democracy’ out of the AnGang experiment is simply ridiculous. The experiment

requiring leading cadres to work in the frontline is just reviving the old vision of Xu You, who lived more than 2000 years ago. He advocated an equal society where kings worked side-by-side with common farmers to till the land. The vision, however, has nothing to do with a modern socialist vision. The latter envisages an equal society, characterized not by coercing mental laborers to perform physical labor but rather the elimination of the social division of these two kinds of labor through technological innovation, the shortening of labor time and the elimination of exploitation. Mao’s endorsement of the AnGang experiment only betrays that his vision amounted to what Marx called ‘crude communism’. Unfortunately such nostalgia for Mao's 'crude communism' is characteristic of today’s New Left. They regard Mao’s legacy as the only ideological alternative to the neo-liberal’s discourse, without noticing that it is Mao’s overdoing of state socialism in the first place, that made both Deng’s ‘socialist market economy’ and the liberal discourse sound so convincing to a major section of the bureaucracy and the intellectuals. What is more critical than the appropriate evaluation of the AnGang model, is Cui’s attempt at counter-posing the AnGang model to democratic reform. By making the AnGang molehill into a mountain of ‘economic democracy’, he is rejecting popular democratic aspiration and siding with the one-party dictatorship. Thanks to the support of major spoke persons of the New Left, the CCP’s transition to the post-Deng era proved to be exceedingly smooth.

The Merging of New Left and Nationalists

By the late 1990’s the New Left’s appeal began to have a much larger impact concurrent with a great anxiety across the country in the midst of ‘external’ threats. China’s opening to the world had entered into a new period. The fear that China’s national industry would go under in the face of direct competition in the domestic market looked very real. In 2003, foreign firms accounted for 31 percent of all manufacturing output in China, up from 9.5 percent in 1992. The growth of market share for foreign capital at the expense of State Owned Enterprises (SOEs), and the immense pressure to restructure of SOEs in order to maintain competitiveness after China's accession to the WTO resulted in 40 million SOEs workers being sacked. TNCs and the WTO, agents of globalization, were considered by some as an ‘external threat’ to China’s economic security, and to a certain extent this observation has a grain of truth. Meanwhile, a new wave of nationalist feelings was triggered off by the 1999 US bombing of the Chinese embassy in Belgrade. Despite the fact that the US and China have been deeply dependent on each other economically, the US holds the view that China is one of her chief competitors and, as such, needs to contain. In the light of this, Zheng’s argument that ‘the main sources for nationalism in the post-Mao era are domestic rather than external’ is problematic.
It is to the credit of the New Left that they played the role of being the first critic of the New Liberals in this new period, for otherwise the dominance of the latter might have been even more pronounced. Two main scholars, Han Deqiang and Yang Fan, have become the most well known spokespersons of the New Left at the turn of the century. They have written extensively against globalization and China’s accession to WTO. In 2000 Han published *The Crash – The Global Trap and China’s Realistic Choice.* He describes the high hopes among Chinese on WTO accession and the supposed efficiency of market as ‘market romanticism’. Contrary to the neo-liberals' claim, China's accession toward the WTO under the current terms would only jeopardize infant national industry. He noted that:

“The effect of globalization is the rapid seizure of the high value-added branches of the Chinese economy by foreign capital and imported goods. Some of them have now been totally dominated by foreign capital. SOEs and other (domestic firms) have found their profit sources are drying up, losses are reported, bad are debts rising, firms are on the verge of bankruptcy, and real unemployment rises steeply. All of these seriously threaten the betterment of people’s livelihood and social stability.”

In place of ‘market romanticism’ Han counter poses ‘market realism’, which sees protectionism, rather than free trade, as necessary for developing countries. In the book he never opposes China’s accession to the WTO in principle, but merely considers the terms being agreed on by China as going too far. He only argues for a better deal for China’s accession, one that would better protect China’s market and at the same time enable China to acquire a bigger share of the world market. The question is: how to achieve this? His answer is:

“Market realism demands that we take the state to be the embodiment of our highest interest, and to have a sober understanding of the market as a battlefield of competition. Under the guidance of market realism, all our infant industry will be combined and formed into a single unit under the auspices of the state, and then join competition in the world market, fight a pro-longed war of the weak against the strong, and eventually achieve the genuine rise of China.”

“When we ultimately win this economic war, China will not only develop fully

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23 Ibid, p. 5-6.
24 Ibid, p.160
within the WTO regime, but it will even become possible to dominate it.”

In the 1990’s a popular TV program had an episode which in one scene a mother wrote a letter to her son, who was studying in US and working part-time washing dishes. She told her son, “Son, study hard. In the future, when our country grows strong and powerful, then we will make those Laowai (westerners) wash dishes for us.”

Han’s critique of globalization and WTO is essentially what this mother advised her son. It is not really opposing corporate led globalization as such, but essentially only advocacy for Chinese version of globalization, one which may have a stronger element of protectionism, but which essentially is just a second route for China’s integration with global capitalism in contrast to the first route dictated by US and EU. In place of the Americanization of the world Han wants Sinolization. He is not very sure if China can attain this, nevertheless it is his objective. Hence there is always an element of Chinese Messianism in Han (and other New Left authors’) writings:

“If the Chinese path can solve what Western Civilization cannot not solve, the Chinese nation will be able to conquer the heart of the world, and China will stand in the East as a rich, democratic and civilized nation.”

Another well known New Leftist, Yang Fan, lays out his program in his recent article 2005-6: Ideological and Theoretical Struggle in Chinese Society:

“On the question of development, (we need) to base our fundamental researches on the theory of the Great Nation, with which we can find the path towards the rise of China as a special and great country.

“On the question of opening up to the world against the background of globalization, we need to explore the road to our national security and the rise of our nation. We need to break the logic of capital, to abandon the assumption of the absence of external enemies, and put national security as the core issue of our strategic adjustment.

“On the question of reform we uphold the kind of reform which is fair, and to achieve theoretical transcendence over both right and left discourses and abolish

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25 Ibid, p.8
26 Ibid p. 264
the dogma and fundamentalism of both planned economy and the market. In place of those we propose a new ideological guideline for reforms...the concept of ‘strategic national industry’. We must pay special attention to guide private entrepreneurs and private business into National Industry.

“On the question of theory we uphold a kind of central left position which combines new socialism and patriotism. We are for an alliance with the centre right, the centre and the left liberals, even for a bloc with the planned-economy-fundamentalists --- the old left--in order to build a common front to oppose the Chinese neo-liberals and the far right partitionists.”

The program above is nothing new. It is the same old story of state-led growth. Han and Yang embrace Great Han nationalism so completely that they have been urging the government to attack Taiwan and incorporate it as soon as possible. “If we win this war,” Han wrote, “the years of insult inflicted upon us by the US will be left behind, the Chinese people will once more unite around the CCP, and the development of the Chinese economy and society in the 21st Century will then be guaranteed.” Han and Yang, and many of the New Left as well as the CCP, have been so immersed in Great Han nationalism that they can never conceive that it is the democratic right of the Taiwan people to decide for themselves if they want unification with Mainland China and on what terms. It should come as no surprise that they are also blind to the fact that ethnic minorities in Tibet and Xinjiang have been denied basic democratic rights. If ‘stability overrides everything’, logically it must also override minorities' rights and democratic rights.

**Domestic factors are also external**

The essential argument of Han and Yang is neither market protectionism nor Keynesianism, but the strengthening of the one-party state as the salvation for China against the external threat of globalization, and also as a tool for it, to eventually out-compete rivals in the world market. Meanwhile the New Liberals argue the

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29 Tragically but not surprisingly, Great Han nationalism necessarily triggers the growth of Taiwanese Nationalism or even Taiwanese Chauvinism, whose advocates love to yell slogans like “Chinese pigs go to hell!” Another cause for the rise of Taiwan nationalism may be attributed to globalization in an East Asia perspective, namely that when China re-integrates with global capitalism, it first and foremost draws Taiwan into its orbit, to the point that economic integration between the two has far reached a point of no return, causing an increase in unemployment.
opposite. However, both commit the same fatal mistake of counter-posing ‘internal’ factors to ‘external’ factors, without taking note of the fact that they are complimentary to each other as well, and to a certain degree, one and the same thing. When Han and Yang argue that globalization is an external threat, they are blind to the fact that it has been their own one-party state that has not only opened up China to global capitalism but also opted for a strategy that is fiercely dependent on foreign capital and the market, to a degree that surpasses many developing countries. It does all this consciously on its own. While it is not entirely free in the choice of policy (who is?), one can hardly argue that such policies have been forced upon China by the US empire or ‘Imperialism’ in general. Given the size of China and the high degree of state control over all levels of the society and economy, China is in a much better position than many developing countries to compete with developed countries. The privileges of ‘supra-national treatment’ for foreign firms, which means that they enjoy a level of profit tax that is only half of China's SOEs, apart from tax breaks and other privileges, is a conscious decision taken by top leadership to attract as much Foreign Direct Investment (FDI) as possible. The same goes for the humiliating concessions made during the negotiation of China's accession to the WTO. The choice of this path is not only dictated by economic rationality as understood by the ruling elites, but first and foremost motivated by their self interest. The administrative bureaucracy of the Mao era has transformed itself into the kind of ‘bureaucratic capitalists’ that prevailed during the rule of the KMT before 1949. From Beijing to the county level, responsible officials are often directly or indirectly (through family members and cronies) involved in business. It is in their interest to pursue a grand alliance with global capitalism, and they profit from it immensely.

Peter Nolan provides a bigger picture as to the interdependence between China and US by saying that

“China has become a ‘supply engine’ of the global economy, while the USA has become the world’s ‘demand engine’. Each is growing in a deeply unbalanced fashion (Roach, 2005)…..Today, the USA accounts for almost two-fifths of China’s exports and China holds most of its foreign exchange reserves in dollars…..The Chinese and US economies have become deeply inter-twined.”

The grand economic alliance between the Chinese ruling elites and those of the West is of course not entirely stable, particularly in the context of the present apparent

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30 Peaceful Rise or Yellow Peril?, Peter Nolan, CITIC pacific research advance, 7 April 2006, p19-24.
"rise of China.". After twenty years of integration with global capitalism, Chinese firms have grown to a point that they are becoming confident enough to demand a larger share of the value added in the global supply chain---a development which is of course not welcomed by the West and Japan. The race for oil between China and the rich countries has added fuel to the fear of ‘yellow peril’. However, these frictions do not and cannot make one deny that there is a basic common interest among them. This common interest reflects a globalized world where the dichotomy of domestic versus external becomes obsolete. This can be shown by one simple fact: today big Chinese firms, often SOEs, are more and more de-nationalized in their ownership, because either they are listed in Hong Kong or New York, or have part of their shares directly sold to Western or Japanese TNCs. This includes even state banks, which are considered to occupy the commanding heights of the economy. Many more SOEs have already been in joint ventures with Western, Japanese or Korean firms for the past 20 years. Leslie Sklair speaks of ‘a transnational capitalist class based on the transnational corporations is emerging that is more or less in control of the processes of globalization.’ 31 While Sklair’s formulation is still far from conclusive, one thing is sure: in the era of globalization terms such as ‘national bourgeoisie’, ‘national industry’, etc. have to be greatly qualified before they can achieve useful analytical value. The truth is that ‘national’ elements themselves often carry foreign elements as well, and vice versa. A more scientific approach is needed to get beyond the dichotomy of national versus foreign, and investigate the internal mechanisms of the global capitalist class and global capitalism at work.

Does the New Left represent working people?

This Nationalist discourse is not merely the result of incorrect theory. In fact, it is correct from the perspective of the Chinese elite, whose ambition now is to seize a larger share of the world market with the help of the state. From this position the other nation states and TNCs all appear to be external contenders. Chinese workers and farmers appear to them as domestic only because they provide the sweat shop of the world --- China --- with cheap labor and cheap food, making Chinese firms more competitive on the world market. It is here that the dichotomy of national versus foreign makes sense. So, instead of advancing a common national interest, the nationalist discourse is in fact only defending the narrow interest of the ruling elites.

Zheng, however, has a different viewpoint:

“New Liberals represent the interest of newly rising rich class, while the New Left represents the interest of workers and farmers.”

Zheng’s view on the liberals is correct, but fundamentally wrong on the New Left, as far as its major spokespersons are concerned. Han Deqiang in fact frankly admitted in an NGOs workshop held during the 6th Ministerial Meeting of the WTO that

“The New Left does not have a workers’ and farmers’ position. Our main concern is how to avoid catastrophe. We hope to have adjustment (of government policy). We have wide spread support among the middle and higher rank (of government officials). In the eyes of workers and farmers, we may be considered as running dogs of the capitalists. We do not want instability. We are reformists.”

Later Han wrote an article explaining further:

“The new leadership of the Central government has already noticed the problem (of the widening gap of rich and poor, unemployment etc). That is why they advocate sustainable development, harmonious society, autonomous innovation, etc. Their ideas are to a certain degree influenced by the New Left.

“As to the question of ‘should we not do something for workers?’, my reply is that I am more concerned about social crises and the outbreak of catastrophe. My position may be regarded by workers and farmers as ‘running dog of capitalists’. What I propose is to replace one off exploitation with sustainable exploitation.”

This is not a slip of words but deliberate thinking. In another article he argues that

“The issue of today’s Chinese economy is not whether we want exploitation or not, but whether we want a kind of exploitation which is one off, or the kind which is sustainable.”

33 Shi gongnong de wuhui, haishi xinzuopai de wuhui? (Who have misunderstood things? The working people or the New Left?), a report on the workshop on China organized by Focus of the Global South, International Forum on Globalization, Globalization Monitor. See http://xinmiao.hk.st
34 Zai Tuopai yanzhong shui bushi zibenjia de zougou --- huida yixie pengyou de yiwen, (In the eyes of the Trotskyists, who are not running dogs of capitalists?, https://host378.ipowerweb.com/~gongnong/bbs/read.php?f=3&i=144059&t=144059
lianhe qilai fandui xinziyoushuyi (Unite to oppose neo-liberalism), http://www.snzg.net/shownews.asp?newsid=8925
“The casualties of mines accidents are called one off exploitation, because workers are killed. If workers (are treated as such that they) can survive, or even able to support their families, I think the miners should be thankful for having a kind of exploitation which is sustainable.”

Yang Fan also explicitly told his readers which class he favors:

“We are for upholding the banner of patriotism. Chinese national capital and state capital need the protection of the state. Without state protection, after we joined the WTO we would not be able to compete against TNCs…. I think most SOEs should be liquidated. We do not need so many SOEs. However, the state must play a role to support state capital and private capital, through making common rules to protect our intellectual property and brand names.”

The differences between the New Liberals and certain prominent scholars of the New Left (not all of them, of course) is not that they each represent diametrically opposed classes, but rather a different course for the one and the same class, namely the newly ascendant capitalist class. The greater influence of the New Liberals in the 1990’s coincided with the tide at that time, when the government took a great leap forward to a policy of completely embracing foreign capital. At the end of the 20th century the tide has turned again, when after ten years of dependent growth, the danger of economic re-colonization has become real. It is here that the New Left’s discourse of national re-birth and self-strengthening becomes appealing to them. Obviously, neither the bureaucratic capitalists nor the private capitalists are homogenous in their direct interests. There is always a faction of them, because of their specific position in the economy, which sees closer partnership with foreign capital as priority, or view more state intervention as a curse rather than blessing. They are therefore more receptive to the discourse of the New Liberals. Thus, instead of having the New Liberals and major figures of the New Left each representing the rich and the poor respectively, rather the truth is that each represents only a different course of capitalist development respectively, namely one being more dependent on foreign capital and less dependent on the state, the other being the opposite.

It also explains why major spoke persons of the New Left have been excessively

36 Ke chixu fazhan he shehui gongping (Sustainable development and social justice), http://www.edu.org.cn/Article/epedu/greeneyes/200502/4039.html
37 zhongguo minying jingji yinggai shangshen wei min zu jingji (Chinese private economy should advance into national economy), http://www.blogchina.com/new/display/62439.html
accommodating to state repression, even when the sword is directed at the Old Left or the Maoists. Han and Yang evade the question of state repression. Dale Wen answers the question as to why the Chinese resistance against neo-liberalism is ‘only rising now, later than in many other countries’:

It is because “1. the state’s accumulation of considerable political assets during the pre-reform years; and 2. the successful disguise under which the reform was carried out.”

What is so striking in her answers is that state repression toward all kinds of social movements is not mentioned at all. In fact, it is completely absent in her 47 page report. The New Left see the state in general, but first and foremost the particular state of CCP, as the sole salvation for China against foreign aggression and internal underdevelopment. While they exhibit deep hostility toward the New Liberals (and the New Liberals react similarly to the New Left), they are exceedingly accommodating to state repression. Therefore, despite the fact that the new leadership under Hu Jintao has continued and even escalated repression to eliminate the possibility of a ‘color revolution’ in China. Dale Wen (or Han and Yang), refuse to make any criticism of the one-party state. Towards the end of the Chinese version of her report she expresses these hopes for Hu:

“Fortunately, the government is responding to the people’s appeal (on the social and environmental crises). Since 2003, the new leadership of the government has made many adjustments to solve the problems caused by the neo-liberals’ policies promoted during the past several years……Will the Chinese government opt for a more thorough policy re-thinking and further break away from neo-liberalism? We are optimistic about this.”

We are then told how the Hu leadership has adopted ‘progressive measures’: rural tax reduction, promises of additional funding for education, so on and so forth. At most they are economic improvements, and very piecemeal at that. There is nothing in Hu’s package which empowers the people with basic political rights like freedom of association and the press, etc. If the people had enjoyed these rights they would not

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39 Sometimes it goes so far as to applause the suppression of the other side by the state.  
40 Shi shaoshuren fuqilai de gaige --- zhongguo yu tongwang jingji quanqiuhua zhi lu (Reform which enriches a few --- China and the road to economic globalization), p. 50. The quotation in the Chinese version is different from the English version, China copes with globalization --- a mixed review. Whereas the Chinese version is ‘optimistic’ about Hu’s break with neo-liberalism, in the English version this evaluation is absent.
have been totally defenseless in the face of expropriation by state officials in the first place! The CCP can always make episodic economic concessions from time to time, but it never allows political concessions, even if it is as basic as the right to demonstrate. It adheres to the political philosophy of all ruling elites, and implements it to the last letter: ‘one must work for the good of the people, but the people must do nothing for themselves.’

Secondly, what matters is not really whether Hu will break away from neo-liberalism, but rather what alternative the government may choose. There are many ‘alternatives’ other than neo-liberalism. The problem is that they are not necessarily worth supporting from the perspective of the working people. This perspective requires a particular kind of alternative which places democracy, equality and political liberty as its central concern. What is most troubling to us is precisely the fact that New Leftists like Han and Yang never include these values into their discourses. Rather they advocate an ‘alternative’ of statism and nationalism, which the new CCP leaders may happily take one or two doses in order to promote the ‘rise of China’. Dale Wen is less nationalist in her report, but the absence of any democratic appeal and the necessary critique of the one-party regime is pronounced. Such absence is by no means accidental. It is connected to the theme of most of the New Left, namely the reliance on the one-party state to build a modernized China. You don’t criticize severely the one who will save you. However, they are hardly aware of the dilemma of their proposal. While the state appears to them as the solution, it is in fact also a problem, a very big problem. The degeneration and corruption of the one-party state has been so severe that Chen Yun, leader of the CCP, second only to Deng Xiaoping, remarked before his death in 1995 that it might end up wangdang wangguo --- the downfall of both the party and the state. More than ten years has passed and the corruption then pales in comparison with that of today. Widespread corruption and ruthless privatization contributes to growing centrifugal forces within the CCP. Before the reforms, corruption was mainly confined to the theft of public property in the form of consumer goods. Then in the mid-1980s, officials began to profit by speculating in the market. Since the early 1990s, however, officials have rushed to set up their own companies or prompt their friends and relatives to set up private companies to make money. One of the easiest methods of making money is transferring public property into their own companies. Corruption has become so rampant that a popular joke has put it this way: pick 100 medium ranking officials by random and shoot them, and probably only 10 of them are innocent; pick 100 Big Mandarins and do the same to

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41 A French conservative spoke these words against democracy during the French 1797 Revolution. Quoted from Democracy and Revolution, George Novack, Pathfinder Press, p.73
them, maybe only 1 of them is innocent.

One need not be serious about the figures in the joke, yet it does reflect the degree of corruption today, and it greatly weakens the administrative capacity of the state. Even when a policy is good in itself, its implementation is often obstructed or twisted by the profit making incentives of the bureaucracy, resulting in chaos, mistakes and damage to people's lives. When problems arise and multiply, officials will only try to cover them up by all possible means. It is common knowledge that all statistics in China are unreliable. For instance, trade balance figures for August 1998 recorded a US$ 20 billion surplus. Strangely, the foreign currency reserve recorded an increase of less than US$ 1 billion. This anomaly not only reflects the seriousness of unreliable statistics but also illegal capital flight (unreliable statistics masking theft). Hence, it is common for problems to accumulate to the point of crisis, only after which do they come to the attention of the central government--by which time it is often too late.

Moreover, corruption is the most important issue that antagonizes common people. It has resulted in countless incidents of protests, strikes, and even riots. The Tiananmen crackdown is a message to all officials that even when these incidents happen the Party will not yield to the pressure of the people. This is in practice a kind of mianzui tiejuan\(^{42}\) or advance pardon for corrupt Mandarins. No wonder that since the early 1990’s the appetite of the bureaucracy has grown immensely, and no wonder that a second wave of rebellion from below is brewing.

The crony capitalism of the CCP is also preparing a financial and economic crisis for itself as well. For instance, no one knows exactly the amount of non-performing loans in the Chinese banking system, nor can they be sure that the books of publicly listed Chinese companies are accurate. One cannot manage something which one has no idea about. The reason why China escaped the 1997 Asian crisis simply because the RMB was not convertible. Now, with its convertibility on the agenda of the government, there is great doubt as to China’s capability to contain a second crisis. An economic crisis will further provoke a social upheaval, noted the China-friendly scholar Peter Nolan.\(^{43}\) To sum up, in the course of robbing workers, farmers, and state properties, the bureaucracy also prepares for itself an outbreak of economic and social unrest.

What amazes us is that although Chen Yun made corruption as his main concern, most

\(^{42}\) A kind of certificate, made of iron, was granted by the emperor to his favorite ministers which pardoned in advance all crimes they may be involved, except crimes like treason.

\(^{43}\) Peaceful Rise or Yellow Peril ?, Peter Nolan, CITIC pacific research advance, 7 April 2006, p. 11
prominent New Leftists tend to mention it only in passing. Even when they deal with it, they only repeat the truism of old party dogma that the top leaders should be determined in eradicating corruption; that corruption is the result of ‘spiritual pollution from the West’ or globalization -- hence the necessity of party scrutiny, so on and so forth. Never do they turn to a much more simple solution: end the one-party regime and put the state bureaucracy under popular democratic control. Without this it is impossible to stop the bureaucracy from enriching itself through privatization and open or concealed corruption. The bureaucracy knows this very well which is why they fiercely resist any moves toward democratization from above or below. It denies the people all their basic rights, so that the latter are absolutely defenseless. However, there is always a point beyond which no one will endure expropriation any more, and this point is rapidly approaching today. The CCP is aware of this and its answer, apart from more repression, is to encourage the growth of nationalism to divert attention from domestic problems to external enemies. However, this is a recipe for international tension or even war. Going down along this path is no way out for the people.

**Democracy is paramount**

The Chinese party state is all-powerful. Civil society is close to nothing. The further strengthening of this state and the development of state capitalism under its auspices, only implies a further race to the bottom in the globalized market, or worse, war. Anti-globalization along Chinese nationalist lines only assists the CCP’s effort in removing all obstacles to this road to hell. People who advocate such a course could hardly be described as New or Left. It is just the same old story of nationalism. Some of the New Left, in an attempt to differentiate themselves from Cui, Han and Yang, describe the latter as *qiangguo zuopai*, or left nationalists, rather than New Left.

We understand well that we must take into account that for all Chinese participants of the debate they may not be able to speak freely under censorship. However, the truth is that even under the same censorship there are some New Leftists, sincere Maoists or broad leftists who have not succumbed to nationalism and statism. Wang Hui, another prominent scholar of the New Left, exhibits little nationalism in his critique on globalization, and his emphasis on the active role of the workers movement in social changes is rare among New Left. Kuang Xinnian, who is considered a Maoist, is in many respects remains faithful to the CPP’s original critical position on nationalism and even in certain extent supercedes it:
“Nationalism is a kind of bourgeois ideology. Essentially it is a kind of thinking used to suppress the class consciousness of the proletariat and socialist ideology. One of the important causes for the collapse of Soviet Union is the limitation of ‘socialism in one country’, which resulted in ideological degeneration from a socialist vision to that of nationalism, and ultimately metamorphosis into ‘social-imperialism’. …If China simply endorses nationalism as an alternative ideology, it will not be able to solve domestic class antagonism and also the conflict between nation states, on the contrary it only serves to reinforce these conflicts. This would be a tragedy not only for China, but also for the world.”

Unfortunately these voices are far too marginalized, apart from the fact that these New Leftists seem to avoid direct debate with the Nationalists. It is by no means accidental, because these critical New Leftists are too heterogenous to make effective responses to the Nationalists.

To conclude, there are good reasons to expect an ever stronger response to neo-liberalism and corporate led globalization in the years to come in China. About this we are optimistic. However, the one-party state, with the help of nationalists and the qianguo zuopai like Han and Yang, to a great degree shaped the response into a nationalist and statist discourse. If a movement from below is steered in that direction, it will add fuel to Chinese nationalism. It goes without saying that there is something the Left can do other than just sit and wait to see what happens next. The urgent task of the Left is to make a thorough critique of the statist and nationalist tradition --- which is deeply rooted in China --- and the one party regime. Our vision for a just society cannot incorporate any nationalist or statist elements, or any accommodation to the one-party state. If another world is necessary then it must put individual rights, pluralism in party politics, political and economic democracy, and last, but not least, internationalism, as its core value. It also implies a transcendence of the narrow discourses of both the New Liberals and the Nationalist Left.

3rd August 2006

44 minzuzhuyi yu zhongguo (Nationalism and China), http://www.hexinbbs.com/article/Show Article.asp?ArticleID=37