

# Capitalist? Imperialist? - Discussing the Nature of the Chinese State with Professor Dic Lo

Thursday 10 May 2018, by [AU Loong-yu](#) (Date first published: 8 May 2018).

In his article [\[1\]](#), which was published in *Ming Pao* on March 2<sup>nd</sup>, Professor Dic Lo mentions the “People’s Forum on One Belt, One Road (OBOR) and BRICS” [\[2\]](#) that was held in September last year. As one of the organizers of the forum, I think I should respond to his opinion.

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## Is China a Capitalist State?

Professor Lo argues that China is not a neo-imperialist state. However, before discussing this, we should first discuss whether China is a capitalist state. Imperialism is a special form of capitalism, so only capitalist states can become imperialist. The Communist Party of China claims that the Chinese state is not capitalist, its nature is one of “socialism with Chinese characteristics”. If this claim is true, then the question of “whether China is imperialist” is not relevant at all, and there is no point in discussing it. In other words, in order to discuss whether China is imperialist, we have to affirm that China is a capitalist state.

The question of “whether China is a capitalist state” is Professor Lo’s Achilles’ heel. He doubts that China is a capitalist state—although he believes that China has integrated into global capitalism and argues that this integration does not necessarily prove the capitalist nature of the Chinese state. In another essay, he claims that, “facing the logic of systematic accumulation of global capitalism, China is both compliant and resistant”, thus it is not a capitalist state. [\[3\]](#) He also complains that

people who have the opposite opinion are “Western-centric leftists” and only cites David Harvey and Alex Callinicos.

First of all, it is not only “Western-centric leftists” who believe that “China is a capitalist state”, but also native Chinese fellows. Chairman Mao Zedong might also be included amongst them. According to Chairman Mao’s standards, today’s China is certainly capitalist. In August 1962, at the Beidaihe meeting, Mao criticized Liu Shaoqi for “contracting production to households” (the Household Responsibility System) in the countryside. He argued that this system encouraged peasants to “work alone”, which would “inevitably lead to polarization in less than two years”. Then he directly talked about the danger of revisionism and capitalist restoration. [4] If “contracting production to households” was already the beginning of capitalist restoration, why is today’s China, in which the main components of the national economy are producing for profits, still non-capitalist?

## **What is Capitalism?**

Defining “contracting production to households” as the beginning of capitalist restoration was a huge mistake, but Professor Lo probably would not label Mao as a “Western leftist”. Of course, Mao died a long time ago and we cannot know what he would think about today’s China. Fortunately, the native Maoists, who are the successors of Mao Zedong Thought, still exist in China. In 2008, for example a document titled “Statement to the People of China by the Maoist Communist Party of China” was circulated on the internet. It argues that, “the great restoration over the past 30 years has proved that the so-called ‘reform and opening up’, which is being implemented by the revisionist ruling clique that controls the leadership of the Communist Party of China, is an incontrovertible course of capitalist restoration”. [5]

Professor Lo’s only argument against “China is a capitalist state” is that “facing global capitalism, China is both compliant and resistant”. However, what is China’s resistance? And what does it resist? Does it resist capitalism with anti-capitalism (like during the Mao era)? Or, does it resist the devil with another devil—using Chinese capitalism to fight foreign capitalism? Was the first kind of resistance successful or not? If it was successful, why can the Maoists and other leftists still point out various capitalist defects in today’s China—extreme polarization, privatization, and the conversion of government officials to capitalists? Professor Lo does not offer an explanation in his article; moreover, he could not even see “the elephant in the room” — severe social polarization.

The Maoist theory of capitalism seems a bit vulgar, so let’s check the definition of capitalism in *A Dictionary of Marxist Thought* edited by Tom Bottomore: (1) production for sale rather than own use by numerous producers; (2) the emergence of the labor market; (3) predominant if not universal mediation of exchange by the use of money, which also gives a systemic role to banks and financial intermediaries; (4) the capitalist or his managerial agent controls the production (labor) process; (5) the universal use of money and credit facilitates the use of other people’s resources to finance accumulation; (6) competition between capitals.

If we analyze China using these six criteria, it is hard to say that China has successfully counteracted the logic of capitalism. There is resistance, but not “anti-capitalist resistance”. China’s ‘resistance’ is actually a struggle for a higher global market share between itself as a rising capitalist power, and the old power bloc of Europe, America and Japan.

## **Professor Lo Asks the Wrong Question**

In his article, Professor Lo's mentions a lot of things to try to prove that China is not imperialist. He puts forward two arguments: firstly that China's foreign investment has neither exploited developing countries nor has caused their deindustrialization and secondly that China's cheap labor force has not under cut the bargaining power of the other countries' workers.

Nevertheless, none of the classic theories of imperialism, whether they were developed by liberals such as John Hobson, or by leftists such as Hilferding, Lenin, and Bukharin, regard the above two conditions as the most important criteria of imperialism. According to these theories, the key conditions to define imperialism are: (1) the degree of monopoly of the main sectors of national economy; (2) the integration of industrial capital and financial capital; (3) large-scale capital exports; (4) colonialism.

These conditions led to the battle for hegemony between the veteran imperialist powers and new powers such as Germany and Japan, resulting in two world wars. Although most of the colonies formally become independent countries after the Second World War, the new generation of left-wing scholars, such as Ernest Mandel, argued that these countries were still indirectly controlled by the political and economic powers of Europe, the United States and Japan. In spite of the continued existence of economic colonialism, many developing countries have more or less achieved some degree of industrialization. The theories of imperialism do not indicate that backward countries cannot achieve industrialization. In other words, professor Lo asks the wrong question.

Other than colonialism, the other three conditions are quite applicable to today's China. And since nowadays imperialist powers have changed from direct control to indirect control over backward countries, colonialism is no longer a necessary condition for imperialism.

## **Non-imperialist Powers can be Bullies as well**

Nevertheless, whether China is imperialist is not the key issue — a large enough capitalist power, even if it is not imperialist, can still be "sub-imperialist" or "hegemonist", and bully weak countries. Brazil in Latin America, South Africa in Africa, and India in South Asia, are all such examples. China is a superpower. In history, it was a super empire for a long time. Modern China has implemented state capitalism, which is even more predatory. If it is not restrained, even if China is not imperialist now, it will become hegemonist in the future.

The rise of China and the "One Belt, One Road" are big topics, which should be discussed by people from all kinds of backgrounds. However, the Beijing government wants its voice to be dominant and refuses to listen to voices from domestic and international civil societies. Professor Lo did not persuade the Beijing government to listen to other voices. Instead, he denounced the rare voice of the "People's Forum", only because he believes that Professor Patrick Bond (who comes from South Africa and also the keynote speaker in the forum) is "famous for China-bashing", but Dic Lo offers no proof whatsoever. Moreover, Patrick Bond was not the only voice at this forum. The speaker from Sri Lanka, for example, argued that Chinese investment had brought both negative and positive impacts. In the end, I would like to beg professor Lo to be fairer in his comments so as not to mislead Beijing.

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## P.S.

\* BORDERLESSMOVEMENT, MAY 9, 2018:

<https://borderless-hk.com/2018/05/09/discussing-the-nature-of-the-chinese-state-with-professor-dic-lo/>

The Chinese version of this article was first published in *Ming Pao Daily*, 27<sup>th</sup> March 2018:

[https://news.mingpao.com/pns/dailynews/web\\_tc/article/20180327/s00012/1522087275006](https://news.mingpao.com/pns/dailynews/web_tc/article/20180327/s00012/1522087275006)

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## Footnotes

[1] Dic Lo, 'Neo-imperialist China' theory, please enjoy it ' (‘新帝國主義’理論), *Ming Pao*, March 2, 2018,

[2] China's Overseas Expansion: An Introduction to its One Belt, One Road and BRICS Strategies, *Borderless Movement*, March 13, 2018:

<https://borderless-hk.com/2018/03/13/chinas-overseas-expansion-an-introduction-to-its-one-belt-one-road-and-brics-strategies>

[3] Dic Lo, China faces "neo-imperialism" (中國“新帝國主義”),

<https://read01.com/o8yxGP.html#.Wtiyw8iFPIU>.

[4] Long live Mao Zedong Thought (毛澤東思想), 1969, p. 423.

[5] Statement to the People of China by Maoist Communist Party of China (毛澤東主義).