

---

---

## Abroad

---

---

# Can We Talk about the Formation of a New Social System in China?

A. V. Vinogradov<sup>a,\*</sup> and A. I. Salitskii<sup>b,\*\*,#</sup>

<sup>a</sup> Institute of Far Eastern Studies, Russian Academy of Sciences, Moscow, Russia

<sup>b</sup> Primakov Institute of World Economy and International Relations, Russian Academy of Sciences, Moscow, Russia

\*e-mail: vinogradov-a.v@mail.ru

\*\*e-mail: sal.55@mail.ru

Received September 20, 2018

**Abstract**—In connection with the 40th anniversary of the Chinese reforms, the authors analyzed the milestones reached by China. Particular attention was paid to recent events—the 19th CPC Congress and the 1st session of the NPC of the 13th convocation. According to the authors, reforms and modernization in China are close to completion. It was stated at the CPC congress that the country has entered a fundamentally new phase of development, it is forming an original social structure, and Chinese specificity is acquiring the features of integrity as an independent, social development project alternative to the West.

**Keywords:** Chinese reforms, theory and practice of socialism in China, modernization, 19th CPC Congress, socialism, Marxism, Chinese characteristics, social system.

**DOI:** 10.1134/S1019331619010131

## INTRODUCTION

There are two formal reasons for a retrospective analysis of the main milestones of the Chinese reforms. First, it is customary to attribute them to the 3rd plenum of the CPC Central Committee of the 11th convocation (December 1978). Since then, 40 years have passed. Secondly, at the 19th Congress of the Chinese Communists (2017), in fact, it was announced that the reforms would soon be completed and that the country would enter a new era. But there is another deep reason for turning to the Chinese experience. The reforms of Deng Xiaoping (they are usually associated with this very name) have changed the world and will enter world history along with other major events, such as the French Revolution and the October Revolution in Russia, which opened up new perspectives in the development of mankind.

Traditionally, it was customary to view the Chinese reforms primarily through the prism of economic transformations, which initiated the transformation of the basis of Chinese society, accelerated the pace of its

development, and made China an economic superpower. In fact, as is now evident, it is necessary to increase the scale of analysis, since the decisions of the 3rd plenum started a reform of the entire Chinese state and social system, with the result that a new model of social development emerged. Gradual changes in productive forces and production relations resulted in fundamental shifts in the superstructure (confirming the effectiveness of the economic determinism of Marxism in the Marxist state), but did not stop there. As a result, a practical solution was found for China's central task of the last 200 years: it has become a modern state, able to respond adequately to external challenges and solve internal development problems successfully, including fundamentally new concerns.

## THEORY AND PRACTICE

The historical significance of the 3rd plenum, held in December 1978, is due to the fact that after two decades of “class struggle under socialism” it shifted the center of gravity of the party's work from destruction and confrontation to economic construction and creation, from theory to practice. Almost immediately after the plenary session, the negative consequences of deideologization and unilateral reliance on the practice at the working meeting of the CPC Central Committee (February–March 1979) were balanced by the “four basic principles” aimed at keeping the socialist values and the leadership of the communist party in

---

<sup>#</sup> Andrei Vladimirovich Vinogradov is a Doctor of Political Sciences, Head of the Center for Political Studies and Forecasting at the Institute of Far East Studies, RAS, and a Professor at the Department of the Theory and History of International Relations at People's Friendship University of Russia. Aleksandr Igorevich Salitskii is a Doctor of Economics, Chief Researcher of the Center for Problems of Development and Modernization at the Primakov Institute of World Economy and International Relations, RAS.

the reform course: the socialist way, the dictatorship of the proletariat, the leadership of the CPC, Marxism—Leninism, and the ideas of Mao Zedong.

Big things have small beginnings. At the beginning of the reforms, narrow, specific, and very modest goals in terms of the final results were set: “wen-bao” (to warm and feed the population), that is, literally not to allow it to die of hunger, and as a promising goal, “xia-okan,” to achieve a level of modest wealth for the entire population of a billion people, a task that is enormous on an economic scale, but unpretentious by the standards of historical development.

In the process of achieving these goals, many other tasks were solved, which were put forward as an addition, a necessary condition, or a tool of transformation. In the aggregate, a holistic picture, by virtue of the practical, rather than ideological nature of the transformations, that does not look like any other social order unfolded. Contractual relations in the countryside and the city, the neighborhood of the plan and the market, a two-track price system (solid state and market prices), a mixed property system, the organization of special economic zones, and the attraction of foreign capital and technology, and then the system “one state—two systems” that preserved capitalism in Hong Kong and Macau within the framework of a unified Chinese state, the manufacturing of rural areas—these and many other innovations are more or less organically woven into the fabric of reform and open politics.

An essential feature of the transformation was the emphasis on the *independence of the Chinese way*. Actually, large-scale reforms began with the advancement of the task of “building socialism with Chinese characteristics” at the 12th CPC Congress in 1982, after the final consolidation of the reformers in power and the first successes of the economic settlement. Gradually moving away from the theoretical schemes and dogmas under the slogan “practice is the criterion of truth,” the CPC formed its own ideas about the socio-economic and, to a lesser extent, political system of Chinese society, which became unique after the defeat of socialism in the USSR and Eastern Europe. The solution for the practice was the revived social sciences, wide and heated debates, in particular, and above all, on political economy. Here the names of Sun Yefan, Wu Jinglian, Yu Guangyuan, Li Yingin, Gu Shutan, Su Shaozhi, and Liu Guoguan stand out [1, p. 44–55]. In the works of economists, scientists carefully analyzed the experience of socialist countries, as well as their successful neighbors in East Asia. In October 1984, the wording “The socialist economy is a planned commodity economy” was born [2].

Research in the field of the history, politics, sociology, and culture of China; the world economy; and international relations also came to the forefront of reforms. But moving by touch, the theory naturally lagged behind practice, there were no ready-made rec-

ipes in the foreign experience. As a result, the concept of *the initial stage of socialism* was adopted at the 13th CPC Congress (1987)—a fairly general formulation. Its principal novelty was the recognition of socialism not as a relatively short transitional phase from capitalism to communism, as it had previously been considered in China, especially in the period of the “cultural revolution,” and not just a long and independent stage of development, as it was recognized in the Soviet Union, but an independent historical period, with many stages and transitional forms combining the features of capitalist and socialist society, changing depending on the era and the emergence of new challenges.

The internal political crisis and economic failure in the PRC in 1989–1990, as well as the decline of socialism in the Soviet Union and European countries, demanded a new conceptualization of practice. The CPC coped with this task: during Deng Xiaoping’s trip to the south and the 14th Party Congress that followed in 1992, the continuation of reforms took shape under the slogan of a *socialist market economy*, seemingly an eclectic theoretical construction that directly contradicts traditional notions of socialism. However, it fit perfectly into the postulate of the initial stage of socialism, correlated with the theses “enrich yourself,” “poverty is not socialism,” and “one country—two systems,” and coordinated the views of “marketeers” and “statists.” It should be borne in mind that, under the conditions of the growing regional differentiation in China, the general formulations inevitably had to be of a compromise nature. Discussions about “isms” stopped for a while, and attention was paid to Western theories of market economy, macro regulation, public sector reforms, and participation in globalization.

Successful practice crossed ideological barriers and, opening new spaces, bore fruit: by the turn of the century, China had succeeded in industrializing the city and the countryside, fighting inflation, developing and localizing the export of finished products, attracting foreign capital and technology, and reforming the public sector. A major success of the reformers was the accession of Hong Kong (1997) and Macao (1999) and the final separation from the legacy of the colonial period, which infringed upon a sense of national pride. China straightened its shoulders, but its future was still rather uncertain.

The first decade of the new century was marked by the massive construction of modern infrastructure; the informatization of society; the emergence of “China of corporations” and the beginning of active investment abroad; increased attention to the social sphere, in particular, the abolition of taxes on peasants and the active creation of the social insurance system, which previously was practically absent; successful opposition to the global financial crisis of 2008–2009; and the first results in reducing the energy intensity of

production. A scientific, technological, and ecological revolution unfolded in the country, and culture and sport flourished.

Theory did not stand still either. Both predecessors of Xi Jinping during their tenure as party leaders contributed to the ideological and theoretical platform of the CPC. At the same time, the idea of “triple representation”<sup>1</sup> of the third generation of leaders led by Secretary General Jiang Zemin and the “scientific concept of development” of the fourth generation led by Secretary General Hu Jintao were only a continuation and development of Marxism–Leninism, the ideas of Mao Zedong and the theory of Deng Xiaoping, but not a new page. In this, they were inferior to the ideas of Mao Zedong and Deng Xiaoping, ideas that symbolized turning points in the development of the theory and therefore were viewed as a result of combining the basic tenets of Marxism–Leninism with the concrete practice of the Chinese revolution, with the realities of modern China and the features of the era. The apparent extinction of theoretical activity and the decline in the contribution of the CPC leaders to the theory indirectly indicated that, within the framework of existing views, the further development of the theory is difficult and possible only in the form of clarifications and additions.

China continued to change rapidly, and so did its place in the world. As for internal transformations, there was a threat of alienation from the society of the party and bureaucracy, which led and implemented reforms and therefore claimed a special place in the distribution of their results. For the theoretical leadership of the country, ideas consonant with practice became relevant again. By the beginning of the second decade of this century, there was a need for a major doctrinal update of the CPC course. This work was taken up by the fifth generation of Chinese leaders led by Xi Jinping.

### THE 19th CPC CONGRESS

The main innovation of the last congress in the fall of 2017 is the proclamation of the theory of “building socialism with Chinese characteristics of a new era.” This idea, along with the name of Xi Jinping, is incorporated into the statutes of the CPC. *Determination of the relationship of the new era* and the initial stage of socialism, at which, as is acknowledged, Chinese society still is, is an important theoretical task that remains to be solved. Its complexity lies in the fact that the provision on the initial stage was included even earlier in the preamble of the statute of the CPC and it can be replaced or excluded from the document only after appropriate theoretical substantiation and serious ideological and propaganda work. Here, one of the

main features of the Chinese way of thinking manifested itself, the *orientation towards continuity*, which implies addition and rejects exception. It is not easy to recognize that a certain stage has ended and a new one has begun, but the fundamental evolutionism inherent in Chinese history and consciousness holds back the development, preserves the contradiction between the old and the new, and does not allow it to be resolved. But the beginning of a new big stage of development was laid.

The coming epoch presupposes a new theoretical substantiation, the main one in which in the Marxist tradition is the new *main contradiction*. The main contradiction of social development in Marxism is of fundamental importance. Xi Jinping pointed out in the report to the congress: “Changes in the basic contradiction of Chinese society are a historical shift” [3, p. 9].

In the understanding of the main contradiction in China, several stages have changed. In class antagonistic societies, including in China before the 1949 revolution, this was a contradiction between the class of exploiters and the class of the exploited, which persisted in the transition period to socialism. Only class struggle, which was at the center of the activity of the Communist Party, removed this contradiction.

With the beginning of the construction of socialism in the first half of the 1950s, the Soviet definition of the main contradiction was adopted, between the growing material and spiritual needs of the people and the backward productive forces. In the years of the “cultural revolution,” the place of the main contradiction was again taken by the class struggle. But since 1978, the situation has begun to change; in China they returned to the previous definition. At the 12th CPC Congress (1982) in the report of Secretary General Hu Yaobang, the goal of socialist construction was to proclaim “the satisfaction of the constantly growing material and cultural needs of the people”<sup>2</sup> [4, p. 91]. A similar formulation is contained in the report of Secretary General Zhao Ziyang at the 13th CPC Congress (1987): “The main contradiction that arises at the present stage is the contradiction between the growing material and cultural needs of the people and backward social production” [5, p. 13]. In accordance with the main contradiction, the priority of the activity of the Communist Party was defined as the development of productive forces and the satisfaction of the growing needs of the people.

At the 19th CPC Congress in 2017, a new main contradiction was proclaimed, i.e., that between the constantly growing needs of the people for a better life and uneven and incomplete development [3, p. 9]. In the Chinese interpretation, “uneven and incomplete

<sup>1</sup> The CPC represents the interests, firstly, of the progressive productive forces; secondly, of the progressive culture; and thirdly, of the entire population of China.

<sup>2</sup> In the statute of the CPC adopted at the 12th Congress, the main contradiction of socialism is defined as “the contradiction between the material and cultural needs of our people and the backward level of our social production.”

development” means the negative effects of economic growth, primarily environmental problems, as well as social and regional gaps and contradictions [6, pp. 20–22; 7].

The wording of the new main contradiction implies a shift in priorities from economic growth, which satisfied material and spiritual needs, to *improving the quality of various kinds of social relations and public administration*, which correspond to less specific and strict ideas about a “better life.” Below, the congress report covers the satisfaction of economic, cultural, and other needs, but these factors were not included in the definition of the main contradiction.

It is obvious that the theory of building socialism with Chinese characteristics of a new era is a new guiding ideology for a long period: “In the long term, it is necessary to be guided by these ideas and continuously develop them” [3, p. 16]. The appearance of the new theoretical platform of the CPC is an event of historical significance; together with its adoption, the old era, the era of Deng Xiaoping, is passing away. The construction of socialism with Chinese characteristics of a new era, as stated in a report to the congress, is “the victorious fulfillment of the task of completely building a society of average prosperity and a transition to the comprehensive construction of a modernized socialist power” and “the era of achieving the Chinese dream of the great revival of the Chinese nation” [3, p. 9].

The “Chinese dream” (another innovation of recent years) will be achieved, thus, under the sign of Xi Jinping’s theory. It is clear that all these new formulas provide additional opportunities for changes in the economy, politics, international relations, etc. Now it is difficult to imagine in which direction the transformations can go, as it was not quite clear at the 12th Congress of the CPC in the era of Deng Xiaoping. In this regard, attention is drawn to the use by Xi Jinping in the final paragraph of the speech of one well-known provision of traditional Chinese philosophy—“Tian Xia Wei Gong” (“The Celestial Empire belongs to everyone”). This is a delicate indication of a qualitatively higher state of society than the society of modest wealth (*xiaokang*), which Deng Xiaoping spoke about at the beginning of the reforms.

### NPC SESSION

After the end of the 19th congress of the ruling party, an unusual situation developed in it: it was impossible confidently to name Xi Jinping’s successor as Secretary General and later Chairman of the PRC. The question arose about the plans of Xi Jinping to remain in power for the next term after 2023. The spring session of the 13th convocation of the NPC was to give some answers.

This session was held in March 2018; it was preceded by an extraordinary 3rd plenum of the CPC

Central Committee, which adopted the document “Decision of the CPC Central Committee on deepening reforms of party and state bodies.” Traditionally, the first sessions of the NPC of new convocations (like the party congresses, they are convened every 5 years) make decisions on a fairly narrow and very important range of issues: in their course, new leaders of the highest state bodies are elected, the report of the government is heard, and plans for socio-economic development for the current year, as well as the budget, are made. If necessary, the NPC sessions make amendments to the Constitution, enshrining the ideological and theoretical innovations adopted at the party congress. The inclusion of a new ideological and theoretical formula in the CPC charter program—Xi Jinping’s theory of building socialism with Chinese characteristics—gave weighty reasons to believe that this time amendments to the Constitution will also be made. Everyone was waiting for what other fundamental decisions would be made.

It can be said that the session of the NPC embodied the spirit of the 19th Congress in the letter of the law: 21 amendments were made to the Constitution, a new constitutional body was approved, i.e., the State Control Committee (in fact, the fourth branch of government, analogs of which existed in the old, as well as Kuomintang China), and the PRC law “About control” was adopted. The new body was given the authority of both the party commissions for discipline inspection and prosecutorial agencies. Prosecutors were transferred from anticorruption directorates to the staff of control committees. In addition to knowledge of the law, they were instructed to see to party instructions providing for disciplinary responsibility for violating the rules of conduct for members of the ruling party.

Among the main amendments to the Constitution (in addition to the amendments concerning the creation of the control branch of power), we turn our attention to the following.

- The preamble, along with the names of Mao Zedong and Deng Xiaoping, now includes the name of Xi Jinping and his idea of “socialism with Chinese characteristics of a new era.”
- An addition has been made, which credited “patriots who have dedicated themselves to the great renaissance of the Chinese nation” to the ranks of the united patriotic front. This category of people should mainly include foreign Chinese, who made an enormous material contribution to the development of the PRC after 1978.
- For the first time, the leadership of the CPC was enshrined in the Constitution: “The leading role of the Communist Party of China is the most essential distinguishing feature of socialism with Chinese characteristics” [8].
- The greatest interest among all constitutional amendments adopted by the NPC is undoubtedly

raised by the amendment that canceled the limitation of the term of the presidency of the PRC (earlier it was no more than two terms).

Thus, the growing concentration of power in Xi Jinping's hands is now reinforced at the constitutional level. The trend of China's shift away from collective leadership and the turnover of power towards authoritarian rule, which began with Xi Jinping, continues to deepen, penetrating the legislative sphere.

## CHINA AND THE WORLD

From a simple participant of globalization, China in the new century has stepped toward the status of a responsible global power [9, p. 17], and during five years of rule, Xi Jinping has moved to a foreign-policy and foreign-economic offensive, achieving a worthy and increasingly high place in the system of global governance. In the current official phraseology, the dream of a "great rebirth of the Chinese nation" implies a movement towards the creation of a so-called community of the fate of humanity and carries, as postulated, significant benefits to all countries, since China will be able to take more responsibility in the world community and make a more significant contribution to global development.

The most important practical embodiment of the new strategy is the program for the construction of the Silk Road Economic Zone and the Sea Silk Road of the 21st Century adopted in 2013 (the megaproject "One Belt, One Road"), covering more than 50 countries in Asia, Europe, and Africa. At the 19th CPC Congress, this draft was included in the party's charter, while large international associations such as BRICS and SCO are not mentioned at all in the document. China's Silk Road Initiative, supported by the establishment of the Asian Infrastructure Investment Bank, the Silk Road Fund, and provincial funds with a total capital of over \$200 billion, appeals to many countries and has a solid foundation in the form of excess capital and building capacity in the PRC [9]. Characteristically, the integration initiatives of China contrast with the tendency towards isolationism in the United States: the withdrawal from the Trans-Pacific Partnership, the abolition of NAFTA, and the transition to a new format of relations with Mexico and Canada. The willingness to withdraw from the WTO and the launch of the trade war against China in 2018 by D. Trump's administration are deeply symbolic, since they signal a reshuffling in globalization and Beijing's leading role in this process.

It was hard to imagine such a development even five years ago, not to mention the first decades of open policy, when Beijing pursued a frankly protectionist course, fully localizing export production and protecting the domestic market. Now, however, national private capital has grown so strong that it has flown

abroad itself, following the state corporations that formed at the beginning of the century.

"Coming late to the table," China is forced to provide its partners with relatively favorable conditions for cooperation. Partners, in turn, can profitably use the structural and regional disparities in the Chinese economy, as well as the reputational and now also the geopolitical burden of mutual economic ties. Becoming more and more diverse, these ties make it possible to resist the pressure from the traditional western participants of interaction, to achieve the effect of multi-lateral economic diplomacy. Finally, the United States, which is supported by some Western European experts, also plays a role in deterring others from economic cooperation with China [11, p. 8]. As a result, the development of globalization may lose its universal character, beyond its borders there will be Western countries, while China will advance to the role of the engine of this process. In this case, borrowing of the Chinese experience, the "Chinaization" of the economic and political path of developing countries and the spread of the "Beijing consensus" could be a stimulating factor. The last expression belongs to J. Rameau, who, in his work published in 2004, contrasted the Chinese experience of modernization and poverty reduction with the Washington Consensus, which symbolizes Western policies regarding developing countries and reinforces their dependence and lag [11].

Touching on this issue at the 19th CPC Congress, Xi Jinping noted: "The continuous development of the way, theory, structure, and culture of socialism with Chinese characteristics has opened up new ways for modernization for developing countries, providing completely different alternatives to countries and nations that want to accelerate their development independence. Thus, China has introduced Chinese wisdom and a Chinese version to the solution of the problems of humanity" [3, p. 32]. Previously, Chinese leaders had refrained from promoting the Chinese experience, emphasizing its specificity. Now, bearing in mind the major successes within the country (the average GDP growth rate for 40 years was 9.5%), one can recognize that with the victory of modernization and the intensification of China's foreign policy, such propaganda appears quite appropriate.

The expression "Chinese specificity" that remains in active circulation in party and state documents should not be misleading. It is not a reduction in the measure of universality, but a symbol of success. In fact, the Chinese reformers did not reinvent the wheel, but borrowed a lot and fruitfully from world experience, observantly and carefully transplanting it onto Chinese soil.

## CONCLUSIONS

In the Chinese reforms, the leading role was played by practice and experiment and verification of

hypotheses formulated theoretically. The merit of the reformers is that they came out of the dogmatic pressure of Marxist theory, without breaking with it completely, retained both national and ideological identity, and over time really developed the theory, starting with the idea of a socialist commodity economy to the formation of the new main contradiction of socialism.

Although, in our opinion, the reforms and modernization in China are close to completion, the theory of the initial stage of socialism remains relevant, especially taking into account the significant regional differences and gaps within the country.

Until recently, it was not customary for us to speak of the modern Chinese experience as having universal, global significance. It was believed that the uniqueness of China is forever connected with the past. Unable to resist and oppose something to the modern Western socio-political and economic ideology and practice, China for many years suffered defeat. For a long time, China's modernization was viewed by many as an approximation to Western models of social order, and even significant differences from Western countries that remained were perceived as specific, not only in the West, but also in China itself. Nothing, it would seem, indicated that a unique, internationally significant experience was maturing. However, the success of reforms and modernization showed that the uniqueness expressed in Chinese characteristics was preserved and even institutionalized without interfering, but rather contributing to the constitutionalization of the eastern giant as the largest global player. Thus, globalization has linked, but not unified, a world in which the importance of a clear self-determination of countries has again increased significantly, while preserving their "particularity" as opposed to unification.

The collapse of the Soviet Union and the liquidation of Soviet-type socialism reinforced the significance of the Chinese experience, emphasizing its originality and difference from Western models. But at that moment there was still no reason to consider it as an original alternative model. Only success in practice, the development and confirmation of the adequacy of the categorical apparatus of its own theory gave reason to talk about the appearance of an original model and the possibility of comparing it with the western one, rather than approaching it. The formulas and goals proclaimed at the 19th CPC Congress fundamentally changed the situation. What is happening in China now should be treated not as reforms, but as the formation of a fundamentally *new social system* corre-

sponding to a new era and a new technological structure.

We are accustomed to assess China from the point of view of European development models: capitalism, socialism, how they converge, combine, how they are influenced by Chinese tradition. But now there is every sign that a new social system is being formed in the PRC, an independent and organic one, different, tellingly, both from the Western and from the traditional Chinese. It has been built over the entire historical heritage of China, traditional and socialist. We face a state-civilization [12], in the embodiment of which the East, independent in politics and independent in judgments, has advanced to the forefront of the world economy and international relations.

## REFERENCES

1. E. P. Pivovarova, *Socialism with Chinese Specifics* (ID FORUM, Moscow, 2011) [in Russian].
2. People's Daily, Oct. 23 (1984).
3. A collection of documents of the 19th All-China congress of the Communist Party of China (Beijing, 2017).
4. *Materials and Documents of the 12th Congress of the Communist Party of China. September 1–11, 1982* (Nauka, Moscow, 1983).
5. *Documents of the 13th All-China Congress of the Communist Party of China* (Izd. Lit. Inostr. Yaz., Beijing, 1988).
6. Questions for the study of the report at the 19th congress of the Communist Party of China (Beijing, 2017).
7. A. V. Vinogradov, "The 19th congress of the Communist Party of China: A great march toward revival," *Probl. Dal'nego Vostoka*, No. 1, 68–80 (2018).
8. A. V. Vinogradov and P. V. Troshchinskii, "The first session of the National People's Congress of the 13th convocation and constitutional amendments," *Probl. Dal'nego Vostoka*, No. 2, 15–31 (2018).
9. A. I. Salitskii, "The outward expansion of China as a result of its victorious modernization," *Herald Russ. Acad. Sci.* **88** (1), 104–110 (2018).
10. F. Godement and A. Vasselier, *China at the Gates: a New Power Audit of EU–China Relations* (European Council on Foreign Relations, London, 2017).
11. J. C. Ramo, *The Beijing Consensus* (Foreign Policy Center, London, 2004).
12. M. Jacques, Understanding the rise of China. [https://www.ted.com/talks/martin\\_jacques\\_understanding\\_the\\_rise\\_of\\_china/transcript](https://www.ted.com/talks/martin_jacques_understanding_the_rise_of_china/transcript). Cited October 16, 2018.

*Translated by S. Avodkova*