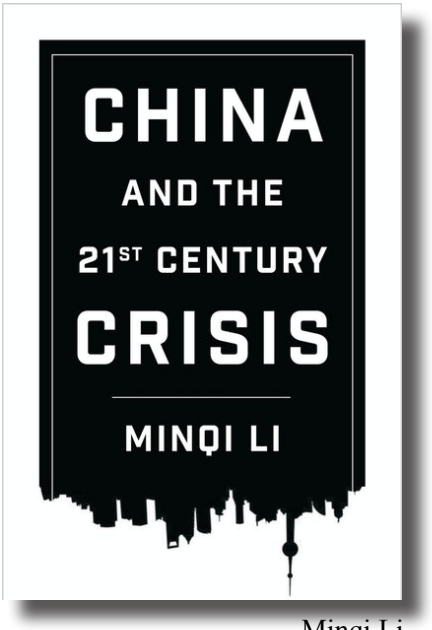
Mao Redux?[1]



Minqi Li
China and the 21st Century Crisis
London: Pluto Press, 2016

Burak Gürel

Minqi Li is one of the most prominent figures of the contemporary Chinese left. Coming from a relatively privileged family background, Li received a strict neoliberal, "Chicago School" type economics education at Beijing University between 1987 and 1990. Like many members of his generation, he participated in the "democracy movement" of workers and students that culminated in the Tiananmen Square protests that lasted between 15 April and 4 June 1989. In contrast to the great majority of the movement's participants, who fell prey to a depoliticization process and a right turn following the suppression of the movement by the state, Li took the opposite path. Impressed by working-class militancy during the protests and disillusioned by the political inability of the liberal leadership of the student movement to unite with the workers effectively and seize the revolutionary momentum,[2] Li quickly abandoned liberalism and became a Marxist. Due to a

1 This review was originally published on the website of the *Historical Materialism* journal in 2019 (http://www.historicalmaterialism.org/book-review/mao-redux).

2 Li suggests that "the student movement had the support of the great majority of urban residents throughout the country. To pursue this option, however, the liberal intellectuals and students had to be willing and able to mobilize the full support of the urban working class. This was a route that Chinese liberal intellectuals simply would not consider" (Minqi Li, *The Rise of China and the Demise of the Capitalist World Economy*, London: Pluto Press, 2008, p. xiii). Wang Hui makes a

speech he gave at the campus soon after the suppression of Tiananmen, Li was expelled from Beijing University and imprisoned between 1990 and 1992. In Li's own words, during this process he "became a leftist, a socialist, a Marxist, and eventually, a Marxist-Leninist-Maoist."[3]

Li views himself as part of the "Chinese New Left," a loose term referring to a diverse group of intellectuals and activists with a critical stance towards China's capitalist transformation that refuses to label the 1949–78 period simply as one of economic disaster and unproductive political extremism, and tries to articulate a left-wing alternative built through critical engagement with that experience. As Li notes, "today, it is virtually impossible for someone in China to be a leftist without also being some sort of a Maoist (with the only exception of some young Trotskyites)."[4] Although it is true that the majority of Chinese leftists defend certain aspects of Maoism, it seems more accurate to characterise their politics as social-democratic rather than Maoist. From their perspective, reclaiming and reinterpreting certain aspects of the Maoist legacy (such as national independence, land reform, egalitarianism, and "mass line" politics) is necessary in order to reshape the current Chinese political economy along social-democratic lines. However, defending more radical interpretations of Maoism (as a politics of socialist revolution squarely opposed to the contemporary political regime) is out of the question.[5] Minqi Li diverges from this dominant tendency. Although Li seems inclined to give certain concessions to a social-democratic line, a position criticised below, he takes socialist revolution as a serious possibility for today's China and the broader world and tries to develop Marxist theory in a way that contributes to this endeavour.

Li left China in 1994 and finished his PhD in Economics at the University of Massachusetts at Amherst in 2002. He is currently a faculty member at the Department of Economics at the University of Utah. Both institutions are among the (very) few economics departments in Western academia where neoclassical economics is not viewed as the unquestioned truth and Marxist political economy is part of the curriculum and informs research activities. During the last two decades, Li has researched a number of key questions through engaging with various strands of the historical-materialist tradition. He has investigated the tendency of the rate

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similar diagnosis, albeit with a less-blaming tone: "The failure of the movement is directly attributable to its violent suppression by the state. Yet, indirectly, it is also attributable to the movement's inability to establish bridges between demands for democratic politics and demands for equality, as well as its ability to form a stable social force. This made it impossible to link the movement's direct goals with its material conditions" (Wang Hui, *The End of the Revolution: China and the Limits of Modernity*, London: Verso, 2009, p. 35).

3 Li, 2008, p. xiv.

4 Ibid., pp. xvi–xvii.

5 The works of Wang Hui, probably the most prominent figure of the "Chinese New Left," are the best examples of this social-democratic perspective and its particular reading of Maoism (Wang, 2009; Wang Hui, *China's Twentieth Century: Revolution, Retreat and the Road to Equality*, edited by Saul Thomas, London: Verso, 2016). On the socio-political context of contemporary Chinese social democracy, see Daniel F. Vukovich, *Illiberal China: The Ideological Challenge of the People's Republic of China*, Singapore: Palgrave Macmillan, 2018, pp. 54-56.

of profit to fall in the contemporary world from a classical-Marxist perspective; analysed long waves and shifting centres of capital accumulation, centre-periphery relations, and the rise and fall of hegemonic states from a world-systems perspective; and engaged with the question of ecological crisis and sustainability in a dialogue with the related literature. He has analysed China's past and possible future paths with reference to these broader questions. For these reasons, Li's work deserves close attention and scrutiny.

Li's first book, titled *The Rise of China and the Demise of the Capitalist World Economy*, was published in 2008.[6] In 2016 he published his second book, titled *China and the 21st Century Crisis*, which is the main focus of this review essay. This new book provides a comprehensive historical-materialist analysis of the national, global, historical and contemporary aspects of the rise of China in the world-capitalist system since the 1980s. It starts with a brief discussion of the factors behind late-imperial and republican China's century-long crisis and its resolution after the revolution of 1949. Li identifies the failure to mobilise the agrarian surplus for industrialisation and military modernisation as the fundamental reason for this decline and China's subordinate incorporation into the world-capitalist system after its defeat in the First Opium War (1839–42). He stresses the fact that rapid industrialisation (through the effective mobilisation of the agrarian surplus) and human development (through the nationwide expansion of healthcare and education services by the state and rural collectives) during the Mao era prepared the material conditions for the spectacular rise of the Chinese economy since the 1980s (pp. 16–17).[7]

In addition to these Mao-era achievements, Li identifies two other factors behind the post-1980 boom of the Chinese economy. These are, first, the end of the post-WWII economic boom in the mid-1970s and, second, China's transition to capitalism in the late 1970s and early 1980s. Declining profit rates forced the core and semi-peripheral countries to relocate a significant portion of their industries to peripheral countries where labour costs are low. In line with Giovanni Arrighi,[8] Li notes that cheap labour is a necessary but not sufficient condition of such massive relocation. Peripheral countries should also have decent infrastructure and a sufficiently skilled labour force in order to be able to absorb massive industrial investment. Due to the Mao-era achievements, by the early 1980s China was the only sizeable region in the periphery that could simultaneously provide quality infrastructure and cheap and semi-skilled labour to foreign capital. Referring to David Harvey's concept of "spatial fix," Li argues that China appeared as the best candidate to provide this type of solution to a world-capitalism in trouble (pp. 72–7, 176–9).

World capitalism was unable to benefit from this sort of spatial fix as long as

6 Li, 2008.

7 A very similar analysis of the historical background of China's rise the 1980s can be found in Ho-fung Hung, *The China Boom: Why China Will Not Rule the World*, New York: Columbia University Press, 2016, pp. 34-51.

8 Giovanni Arrighi, *Adam Smith in Beijing: Lineages of the 21st Century*, London: Verso, 2007, p. 351.

China kept along its non-capitalist path. Hence, China's transition to capitalism was the second factor that allowed it to receive large quantities of foreign capital, to become the workshop of the world, and to sustain high economic growth rates for the next three decades. The impasse of building socialism in one backward country and the related bureaucratisation of the party-state prepared the conditions that facilitated the transition to capitalism under Deng Xiaoping's leadership after December 1978. Capitalist restoration started with the dismantling of the rural collectives, introduction of capitalist-style management practices in state-owned enterprises, and the opening up to foreign direct investment during the 1980s. The defeat of the protest movement of urban workers and students after the Tiananmen massacre on 4 June 1989 eliminated an important obstacle to the deepening of capitalist restoration. This made possible the privatisation of a substantial portion of state-owned enterprises and the elimination of the employment guarantee and other gains of the urban state-sector workers (known as the "iron rice bowl") in the 1990s. The party-state bureaucracy transformed itself into a capitalist class in this process. State and collective assets (created before the 1980s) worth about US$5 trillion were transferred to this new bourgeoisie through privatisation. As a result, by 2006, about 2,900 of the 3,200 people with personal property worth over US$15 million in China were children of senior party-state officials (pp. 19–23, 32–4).

Li's study empirically explains how China provided a "spatial fix," and therefore a temporary breathing space, for the core and the semi-peripheral capitalist countries by undertaking greater amounts of low-wage manufacturing activities from the 1980s on. For Li, China's transition from the periphery to the semi-periphery is not yet complete and it therefore continues to provide a "spatial fix" to world capitalism (pp. 73–5). On the other hand, Li predicts that China will join the semi-periphery within a decade, which implies the end of the China-centred spatial fix for world capitalism. South Asia and Sub-Saharan Africa are unable to substitute for China as suppliers of an equally large economic surplus to the core and semi-periphery due to their problems of weak infrastructure, a comparatively-unskilled labour force, political instability, and ecological constraints (pp. 77, 179). According to Li, this implies that "'spatial fixes' as a historical strategy to revive the capitalist world system has reached its limit" (p. 75). Deprived of significant surplus extraction from the periphery outside of China, the core regions would experience comparatively greater socio-political instability (p. 77).

China's transition into the semi-peripheral zone constitutes only one aspect of the structural challenges confronting world capitalism. Li provides us with a detailed empirical analysis of the ongoing crisis tendencies of the world economy. He elaborates on several factors constraining the profit rate, such as the over-accumulation of capital (pp. 79–85), which is central in Marx's theory of the tendency of the rate of profit to fall; wage increases won through workers' struggles (pp. 6–7, 62, 68, 78, 183); and energy and environmental constraints (to which Li devotes Chapter 6 entirely). Based on the historical experience of British and American capitalisms, Li suggests that the leading capitalist economy has to sustain a profit rate that is significantly above 10% for the relatively stable operation of the world-capitalist system. He stresses as a fact the collapse of the profit rate in

the US during the 1970s and 2007–2009, which precipitated the advent of two major world-economic crises. Li then adds that China's profit rate was 12% in 2012 and has been declining since then. According to Li's projection, which he admits to being "too optimistic," China's profit rate will decline below 12% after 2022 and below 10% after 2028 (pp. 86–91). Given the fact that China accounted for almost one-third of global economic growth between 2003 and 2013 and has replaced the US as the greatest contributor to global economic growth since 2008 (p. 98), declining profitability of the Chinese economy signals the strengthening of crisis tendencies within the world economy as a whole. Although Li does not discuss it in explicit terms, this also suggests that it is very difficult, if not altogether impossible, for China to become the new hegemon of the world system. With a declining (US-centred) core and a (China-centred) semi-periphery unable to rise in limitless fashion, world capitalism would face formidable challenges to achieving long-term stability.

In these circumstances, the struggles of the subaltern classes tend to become more widespread and intense. Li starts his book by emphasising that since the start of the world-economic crisis in 2008, "mass protests and popular rebellions have transformed the political map throughout the world" (p. 1). Although China has not witnessed a regime-threatening mass movement since 1989, Li suggests that the country's transformation into the workshop of the world has eventually led to the rise of workers' struggles. After more than two decades of labouring under hazardous conditions and repressive management to earn meagre wages, Chinese workers have been waging increasingly militant struggles against capital in recent years. In line with the recent labour-movement scholarship on China,[9] Li underlines the important role played by the new generation of migrant workers (who are registered as rural households but actually work in urban industries) in labour-struggles of today. This new generation is better educated, more determined to stay in the cities, and it therefore has higher consumption standards than the older generations and is more inclined to view class struggle as the main means of meeting its material needs. Demographic factors such as the depletion of rural surplus labour and the decline of the total labour force increase its bargaining power. The approaching end of the era of rapid economic growth under the pressure of the world crisis makes the capitalists of China increasingly incapable of meeting the demands of this new proletarian generation (pp. 28–9).

Li views the increase in the number of "mass incidents" (from 8,700 in 1993 to 60,000 in 2003 and 120,000 in 2008) and various violations of "social order" (from 3.2 million in 1995 to 11.7 million in 2009 and 13.9 million in 2012) as empirical proof of the increasing trend of proletarian and popular struggles in China (p. 182). He compares contemporary China with the experiences of several earlier

9 Beverly Silver and Lu Zhang, "China as an Emerging Epicenter of World Labour Unrest," in *China and the Transformation of Global Capitalism*, edited by Ho-fung Hung, Baltimore: The Johns Hopkins University Press, 2009, pp. 174-187; Pun Ngai and Lu Huilin, "Unfinished Proletarianization: Self, Anger and Class Action of the Second Generation of Peasant-Workers in Reform China," *Modern China*, Vol. 36, No. 5, 2010, pp. 493–519.

industrialisers of the semi-periphery (including Brazil, Poland and South Korea) since the end of WWII. The conclusion of this comparison is clearly optimistic. Unlike these countries, which experienced economic crisis in the 1980s and 1990s, "when global revolution was in retreat and neoliberalism was advancing in every geographic area in the world" (p. 40), Li asserts that "the coming economic and political crisis of Chinese capitalism will take place as the structural crisis of the global capitalist system is approaching" (p. 41).

At the end of the book, Li puts forward three possible scenarios for the future of China. The first scenario is the revival of the socialist model of development by the CCP leadership under growing popular pressure but without a regime change and the upheavals involved under such circumstances. The second scenario is the collapse of the present regime and transition to a formal liberal democracy. The final scenario is a long-term and general socio-political collapse and a civil war in the worst case (similar to the pre-1949 period). In light of the purge of the relatively "left-wing" faction of the CCP represented by Bo Xilai (the former Politburo member and party secretary of the Chongqing Municipality) in 2012, Li views the first scenario as highly unlikely. On the other hand, he draws a much more optimistic picture regarding the final outcome of the other two apparently chaotic and painful scenarios. Despite enormous challenges, Li expects a revolutionary re-organization and unity of the subaltern classes, which would lead to the victory of socialism in China (pp. 183–5).

Li's work deserves much appreciation for its broad scope, distance from dominant mainstream (non/anti-Marxist) approaches in the literature on the Chinese political economy, and empirically-grounded arguments. Having said this, some parts of the book deserve criticism. My criticism will proceed from relatively minor to major problems with the book.

First, although the explanation of the crisis of the capitalist economy is one of the main preoccupations of his book, Li's crisis theory suffers from eclecticism. Li mentions three main crisis-theories, underconsumption theory, profit-squeeze theory, and Karl Marx's theory of the "law of the tendency of the rate of profit to fall" (pp. 3, 43–4, 48–51), without saying which one provides the correct/best explanation. It is a well-established fact that these theories provide significantly different (and oftentimes opposite) explanations of the crisis. For instance, according to underconsumption theory, lack of effective demand for consumption goods is the main factor starting major crises. This is not the case for the theory based on the tendency of the profit-rate to fall, which argues that since the exploitation of labour is the only source of profit, increasing organic composition of capital through the substitution of capital for labour periodically leads to falls in the rate of profit and causes economic crisis. As the decline in the profit-rate would eventually lead to a decline in both capital investment and labour employment, the effective demand for capital and consumer goods would also decline and thereby aggravate the crisis. In short, whereas effective demand is the chief factor in initiating an economic crisis according to underconsumption theory, it is an intervening factor but not the chief cause of the crisis according to the law of the tendency of the rate of profit to

fall.[10] These are not simply theoretical differences. They have important implications for socialist politics. In contrast to underconsumption theory which "stresses the commonality of interests between capital and labour," Marxism underscores that "labour's gains are capital's losses and thus contribute to the objective weakening of capitalism rather than to its strengthening."[11] Therefore, the lack of a clear comparison of crisis-theories is apparent as a shortcoming of Li's book.

Second, the neglect of the place of the peasantry in the class alliance behind the restoration of capitalism in China is another problem with the book. Li is right in stressing the significance of the urban middle class' enthusiastic support for capitalist restoration (pp. 22–3). He suggests that, especially after the repression of Tiananmen in 1989, the urban middle class' pro-capital stance helped the state to isolate the state-sector workers politically, which eventually rendered them defenceless against successive waves of privatisation in the 1990s (pp. 23, 32). Although these arguments sound valid, what is missing in Li's account is a clear analysis of the position of the peasantry. Regarding the Chinese peasantry of the 1980s, Li suggests that "agriculture was the weakest link of the traditional socialist system. Agricultural privatization in the early 1980s was met with little resistance from the peasants (though the official propaganda that the peasants enthusiastically supported privatization was mostly unfounded)" (p. 23). This point is also valid but insufficient. Official propaganda claiming that the decollectivization of agriculture was a bottom-up movement initiated and supported by the peasantry is wrong, because it hides the top-down character of the reform in which the party-state leadership used harsh administrative measures against the (not so few) villagers and rural cadres resisting decollectivization in many regions.[12]

However, recognising the problems of the official propaganda should not lead us to miss the central importance of rural support for the initial pro-capital reforms. The Chinese leadership was well aware that agricultural decollectivization was not enough to establish pro-capital hegemony over the peasantry. Therefore, as soon as the decollectivization reform started, the state increased the purchase price of all major agricultural products and decreased agricultural taxes significantly. In fact, agriculture's terms of trade against industry (which were very unfavourable before 1978, for the purpose of effecting primitive socialist accumulation) improved

10 Anwar Shaikh, "An Introduction to the History of Crisis Theories," in *US Capitalism in Crisis*, New York: The Union for Radical Political Economics, 1978.

11 Guglielmo Carchedi, "Behind and Beyond the Crisis," *International Socialism*, No. 132, 2011, http://isj.org.uk/behind-and-beyond-the-crisis For a good comparison of Marx's law of the tendency of the rate of profit to fall with other crisis-theories, see Michael Roberts, *The Long Depression: How It Happened, Why It Happened, and What Happens Next*, Chicago: Haymarket Books, 2016, pp. 9-30. On the political difference between Marxist and underconsumptionist theories of crisis, see Sungur Savran, *Üçüncü Büyük Depresyon: Kapitalizmin Alacakaranlığı*, İstanbul: Yordam Kitap, 2013, p. 168.

12 Huaiyin Li, *Village China under Socialism and Reform: A Micro History, 1948–2008*, Stanford: Stanford University Press, 2009, pp. 267–8; Zhun Xu, "The Political Economy of Decollectivization in China," *Monthly Review*, Vol. 65, No. 1, 2013, pp. 17–36.

significantly until the completion of decollectivization in 1984.[13] Hence, although decollectivization and price policy were virtually separate areas, the Chinese leadership presented them as components of a single reform package. Hence, huge increases in agricultural prices became a decisive factor behind winning the peasantry to the reform camp.[14] Although the initial spike in agricultural prices was not sustained to the same extent after 1984, the improvement of the peasants' lot until then was significant enough to keep the peasantry away from any anti-regime mobilisation. This helped the Chinese state significantly when suppressing the workers and students in 1989.[15] In his previous book, Li suggests that in the early 1980s,

> Peasants' incomes also grew rapidly, in fact, more rapidly than the incomes of the urban households […] As the availability of food and other agricultural goods improved, the urban working class also enjoyed a rapid improvement in living standards and began to have access to various modern consumer durables. With these temporary concessions made to the workers and peasants, Deng Xiaoping and the "reformers" were able to consolidate their political power.[16]

This is the only place where Li engages with the question of economic

13 Terry Sicular provides the best empirical account of this rural populist turn in China between 1978 and the mid-1980s ("Ten Years of Reform: Progress and Setbacks in Agricultural Planning and Pricing," in *Economic Trends in Chinese Agriculture: The Impact of Post-Mao Reforms*, edited by Robert F. Ash and Y.Y. Kueh, Oxford: Clarendon Press, 1993).

14 Contrary to the standard mainstream account claiming that decollectivization played a key role in increasing agricultural productivity in China between 1978 and 1984, the available empirical evidence shows no significant relationship between the two (Chris Bramall, "Origins of the Agricultural 'Miracle': Some Evidence from Sichuan," *The China Quarterly*, No. 143, pp. 731–55; Philip C.C. Huang, *The Peasant Family and Rural Development in the Yangzi Delta, 1350–1988*, Stanford: Stanford University Press, 1990, pp. 222-51; Zhun Xu, "The Chinese Agriculture Miracle Revisited," *Economic and Political Weekly*, Vol. 47, No. 14, 2012, pp. 51–58). It is therefore hard to disagree with Chris Bramall's contention that "the primary motivation behind the imposition of decollectivization in 1982-3 was undoubtedly political. Deng's new regime was eager to build support in the countryside, and decollectivization served that purpose by creating a new class of cultivators who had a large stake in the new system" (Bramall, Chris 2004, "Chinese Land Reform in Long-Run Perspective and in the Wider East Asian Context," *Journal of Agrarian Change*, Vol. 4, No. 1-2, 2004, p. 125). It seems clear that the Chinese government's rapid increase of the procurement prices of farm products and significant cuts in agricultural taxes simultaneously with the decollectivization reform significantly helped to legitimize the latter in the eyes of the villagers.

15 On the absence of the peasantry from the protest movements of the 1980s, see Wang, 2009, p. 23, 28. On the emergence of the rural crisis and the rising tide of rural protest in the 1990s, see Alexander F. Day, "A Century of Rural Self-Governance Reforms: Reimagining Rural Chinese Society in the Post-Taxation Era," *The Journal of Peasant Studies*, Vol. 40, No. 6, 2013, p. 940; Kevin J. O'Brien and Lianjiang Li, *Rightful Resistance in Rural China*, Cambridge: Cambridge University Press, 2006; Kathy Le Mons Walker, "'Gangster Capitalism' and Peasant Protest in China: The Last Twenty Years," *The Journal of Peasant Studies*, Vol. 33, No. 1, 2006, pp. 1-33.

16 Li, 2008, p. 60.

concessions provided by the state and the political orientation of the lower classes in the 1980s. However, he does not explain why urban workers and peasants had significantly different political dispositions in the late 1980s. In neither of his two books does Li provide a systematic analysis of the material basis of the diverse political orientations of the urban proletariat and the peasantry, which seriously impacted the outcome at the critical juncture of 1989. Lack of attention to this question is an important shortcoming of Li's work.

Finally, Li's analysis of the so-called socialist regimes of the twentieth century in general and the Maoist experience in particular suffers from a number of problems. After recognizing their successes in "achieving both effective capital accumulation and improvement of people's living standards," he continues:

> However, by the 1970s and the 1980s, socialist states were squeezed between rising labor and resources costs and their inability to compete with the core capitalist countries on the technology frontier. The Communist Party's ruling elites took advantage of the economic crisis to dismantle the socialist social contract and complete the capitalist transition (p. 185).

Here Li is basically referring to the failure of the practice of 'socialism in one country' from Eastern Europe to East Asia. Li makes his point more explicit elsewhere:

> The only conceivable alternative would require the Chinese Party and state elites to give up a substantial portion of their material privileges. By sharing material hardships with the working class and continuing to provide workers and peasants with basic social security, the Communist Party leadership might be able to convince the great majority of the population to live within a relatively closed socialist system for a prolonged period of time. If China were to follow this alternative path, it might create a relatively favorable political environment for a new wave of global revolution when neoliberalism enters its own major crisis. The Cuban experience after 1990 has demonstrated that it is possible for a socialist state surrounded by neoliberal capitalism to maintain the basic socialist framework for several decades, provided that the Communist Party leadership was willing to sacrifice its own material interests. But in the absence of a major socialist revolution in a big country, even Cuba has been under growing pressure to undertake neoliberal-style "economic reform." In China, with the end of the Cultural Revolution, the majority of the Party and state bureaucrats had abandoned their original revolutionary ideals. Any development strategy that demanded the sacrifices of the ruling elites became politically unfeasible (pp. 35–6).

The similarity between Li's point and Leon Trotsky's pioneering analysis of the Soviet Union (the only "socialist state" of the time) in his *The Revolution Betrayed* (1936) is striking.[17] Trotsky was the first Marxist thinker who provided a

17 Leon Trotsky, *The Revolution Betrayed: What Is the Soviet Union and Where Is it Going?*, translated by Max Eastman, New York: Pathfinder Press, 1983 [1937].

systematic analysis of the structural limitations and inevitable collapse of the model of "socialism in one country." He also pointed to the possibility of this model's transition back to capitalism through a metamorphosis of the ruling bureaucracy into a bourgeoisie. According to Trotsky, socioeconomic privileges and the political power of the Stalinist bureaucracy were closely related to the relative isolation and economic backwardness of the Soviet Union. He predicted that as long as it remained isolated, the Soviet Union would come under increasing economic and military pressure from the advanced capitalist countries. After an initial investment-driven economic boom, the country would sooner or later suffer from economic stagnation and crises. Trotsky argued that should the working class fail to overthrow the bureaucracy through a "political revolution" and combine socialist construction in the country with a clearly internationalist policy to accomplish world revolution (for which the reconstruction of the Communist International was absolutely necessary), the ruling bureaucracy might view capitalist restoration as a way to overcome the impasse of "socialism in one country."[18] Although Li's analysis has idealistic tones (especially when he talks about the bureaucrats' "abandoning [of] their original revolutionary ideals"), he clearly attempts to underline this causal relationship between economic backwardness and isolation and capitalist restoration. Interestingly, there is not a single reference to Trotsky's work in Li's book.

This omission seems to be related to a deeper problem in Li's analysis of the past and present of Chinese socialism. Li glosses over Mao Zedong's responsibility in the degeneration of Chinese socialism and places the blame exclusively at the door of Deng Xiaoping and his fellow capitalist-roaders. This approach is clearly visible in his remarks regarding the Cultural Revolution. For Li, in the early years of the Cultural Revolution, large sections of the population enjoyed de facto freedom of speech and association. Mass organizations took over power in many cities. Many were inspired by the aspiration for a truly democratic and egalitarian socialist society (p. 30). He then goes on to explain its failure:

> Unable to win the support from the majority of the Party and state bureaucrats, Mao Zedong made one last attempt to save the revolution by directly calling upon the workers and the young students to rebel against the bureaucracy. But the workers and the student rebels were politically inexperienced and divided. The Party and state bureaucrats survived the initial panic and organized counter-attacks. In many cities, the army intervened to support the established bureaucrats. Radical workers and student rebels were brutally repressed. By 1969, the radical phase of the Cultural Revolution came to an end (p. 18).

18 "The juridical and political standards set up by the revolution exercised a progressive action upon the backward economy, but upon the other hand they themselves felt the lowering influence of that backwardness. The longer the Soviet Union remains in a capitalist environment, the deeper runs the degeneration of the social fabric. A prolonged isolation would inevitably end not in national communism, but in a restoration of capitalism" (Trotsky, 1983, pp. 300-301).

Li then stresses the unsustainability of China's hostility to both the US and the USSR during the 1960s. He adds that China started to import technology from the West and Japan and normalized its diplomatic relations with the US during the 1970s, before Mao's death (pp. 18–19).

The problem with Li's narrative is his exoneration of Mao(ism) from any responsibility for these events. As Yiching Wu's careful research on rebel politics during the Cultural Revolution demonstrates, these organizations indeed represented a genuine attempt to counter the growing problem of bureaucratization and establish a truly democratic socialism. In a political context where explicitly non-Maoist discourse was not allowed and all political organizations (including those waging bloody fights against each other) had to formally present themselves as Maoist, rebel organizations also used a specific interpretation of Maoism to enlist the working masses for anti-bureaucratic mobilisation. As Wu shows, by using an increasingly critical tone against the party-state and insisting upon continuing mass mobilisation until the establishment of a genuine socialist democracy through direct representation of the workers and peasants (with frequent references to the example of the Paris Commune), rebel politics soon trespassed the boundaries set by Mao himself. That is why, instead of countering it, the Maoist leadership actually supported the army's bloody repression of these rebels.[19] Wu carefully demonstrates the causal links between the suppression of the rebels in 1968–9, the ensuing de-radicalization/degeneration in the 1970s, and capitalist restoration after 1978.[20] In addition to suppressing the anti-bureaucratic socialist mobilisation, Mao and his allies also insisted on the unscientific description of the USSR as an imperialist and fascist country[21] and gradually established an anti-Soviet axis with the US in the 1970s, which helped the eventual victory of capitalist restoration in China.[22] Neglecting these factors is an important shortcoming of Li's book.

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19 For similar accounts demonstrating Mao's personal responsibility in the repression of the rebel movement in 1967 and 1968, see Jack Gray, *Rebellions and Revolutions: China from the 1800s to the 1980s*, Oxford: Oxford University Press, 1990, pp. 353-365; Maurice Meisner, *Mao Zedong: A Political and Intellectual Portrait*, Cambridge: Polity Press, 2007, pp. 178-186.

20 Yiching Wu, *The Cultural Revolution at the Margins: Chinese Socialism in Crisis*, Cambridge, MA: Harvard University Press, 2014. The major problem in Wu's (otherwise very insightful) account is the absence of systematic analysis of the relationship between the PRC's international isolation, economic backwardness (despite the strong growth performance during the Mao era), and the problem of bureaucratization.

21 Editorial Departments of *Renmin Ribao*, *Hongqi* and *Jiefangjun Bao*, "Leninism or Social-Imperialism? – In Commemoration of the Centenary of the Birth of the Great Lenin," *Peking Review*, No. 17, 1970, p. 7.

22 For a detailed analysis of the geopolitical dimensions and consequences of the Sino-American alliance against the Soviet Union, see S. Mahmud Ali, *US-China Cold War Collaboration, 1971–1989*, Abingdon: Routledge, 2005. With its patronizing and nationalistic attitude towards the PRC, Soviet bureaucracy (from Stalin to Brezhnev) played a significant role in the aggravation of Sino-Soviet relations. Ali's book shows that both sides of the Sino-Soviet conflict sought the cooperation of the USA against the other and the PRC won that competition (Ali, 2005, pp. 63–72). The Sino-Soviet conflict was one of the most shameful episodes of the history of the international left

The political significance of this shortcoming regarding the Maoist experience becomes clear in Li's discussion of left-politics in contemporary China. Li concludes his book by stating that, "as capitalism ceases to be a viable economic and social system, humanity will have to ask if there is any economic and social alternative to socialism, however socialism will come to be defined in the twenty-first century" (p. 192). Li's emphasis on the actuality of socialism is laudable. However, his expression "however socialism will come to be defined" requires some caution since he apparently has quite a broad definition of socialism. Li notes that the CCP faction led by Bo Xilai "advocated greater state control of the economy and some redistribution of wealth from the capitalist class to the working class" (p. 36). Other observers similarly defined Bo Xilai's so-called "Chongqing model" as one based on the mixed economy aiming to pursue complementary growth of the state sector and (national and foreign) private capital.[23] A mixed economy with some redistribution is hardly socialism! Hence, Li's praise of the "Chongqing model" throughout the book (pp. 1, 15, 36–8, 192) is hardly compatible with his view of socialism as the only viable alternative to capitalism. It gives the impression that he confuses the rejection of neoliberalism with socialism.

In the light of the failures of Stalinism, social democracy, and left-populism, which have led to the disillusionment of the masses with socialist politics in the past and today, distinguishing socialism from other left-projects by stressing its strictly anti-capitalist, egalitarian, democratic and internationalist character is immensely important. Doing otherwise would risk the workers in China and elsewhere undergoing similar tribulations yet again, which would sooner or later help capitalism to recover from its crises. Hence, reading Li's valuable work critically will help us to think deeply about socialist politics in contemporary China and elsewhere.

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and played a significant role in the transition to capitalism from Eastern Europe to East Asia in the 1980s and 1990s. A Marxist analysis of it that goes beyond geopolitics is still lacking. We also lack a historical-materialist account of the relationship between the relatively backward, isolated and bureaucratic character of the PRC, the defeat of the anti-bureaucratic movements in the late 1960s, the Sino-American alliance of the 1970s and the PRC's gradual transition to capitalism from the late 1970s onward.

23 Philip C.C. Huang, "Chongqing: Equitable Development Driven by a 'Third Hand'?," *Modern China*, Vol. 37, No. 6, 2011, pp. 569–622; Yuezhi Zhao, "The Struggle for Socialism in China: The Bo Xilai Saga and Beyond," *Monthly Review*, 1 October 2012, http://monthlyreview.org/2012/10/01/the-struggle-for-socialism-in-china/