

China, the rise of a new imperialism



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I. Capitalism in the People's Republic of China

II. The metamorphosis of the PRC

III. A new imperialism?

Capitalism with Chinese characteristics



Capitalism with Chinese characteristics

Annual growth rate 10% for twenty years.

The world's second largest economic entity.

The world's second largest trading country.

The world's largest manufacturing country.

The top foreign reserves country.

One of the highest FDI recipient countries

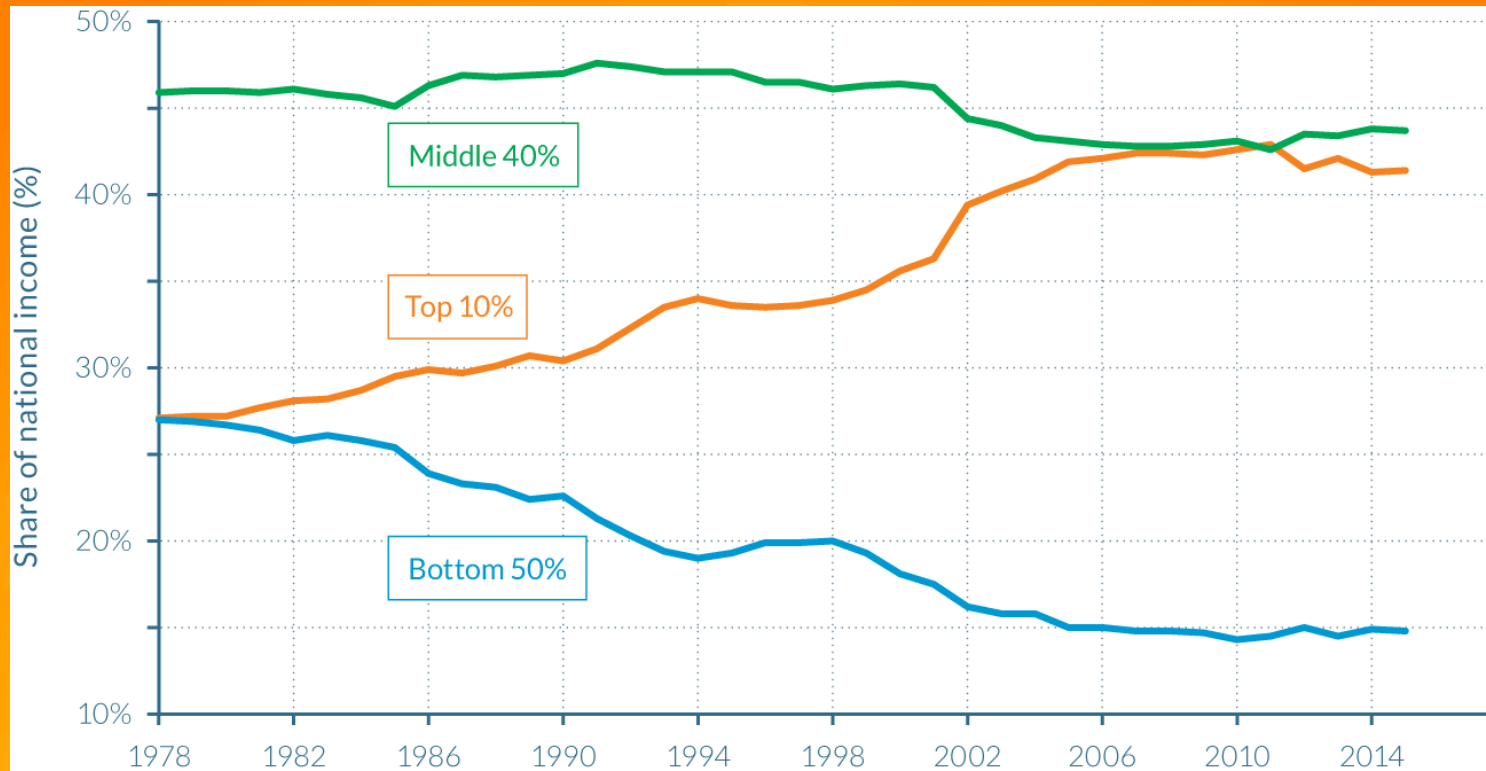
Top outward FDI country in the world (2020)

Capitalism with Chinese characteristics

‘In both countries - the world’s biggest economies - more than two-thirds of the wealth is held by the richest 10% of households, and their share has been increasing, the report said.’

[www.bloomberg.com/news/articles/2021-11-15/global-wealth-surges-as-china-overtakes-u-s-to-grab-top-spot]

Income shares in China, 1978–2015



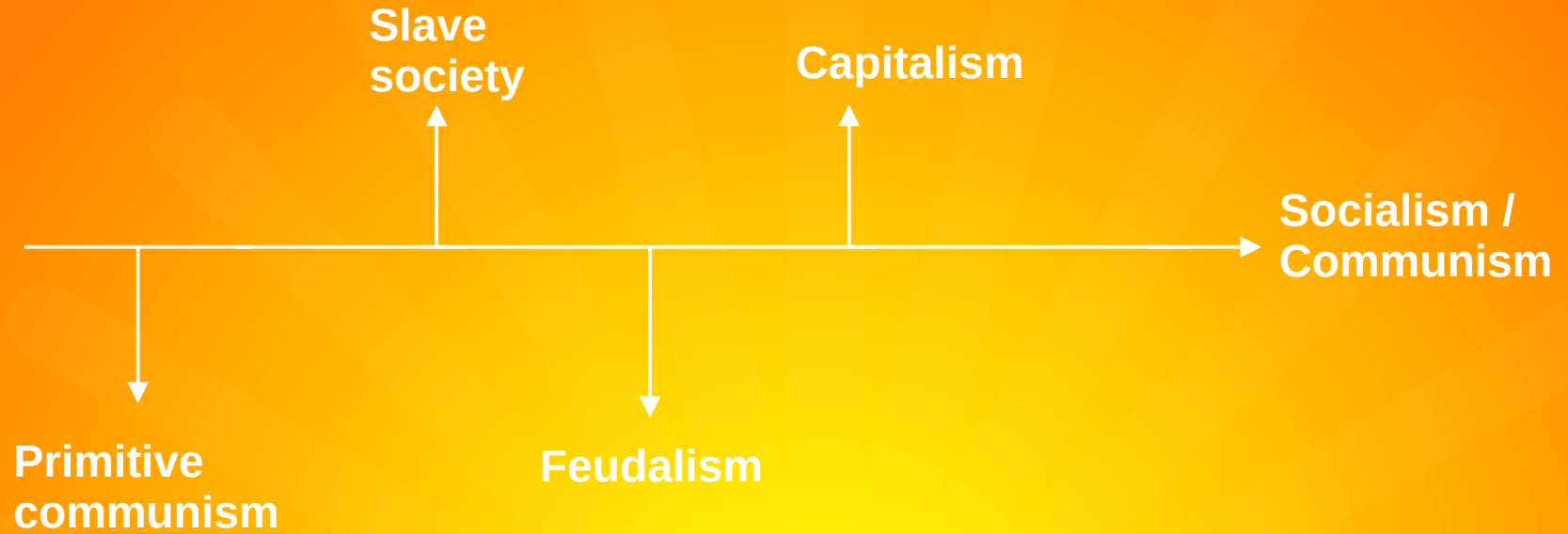
Source: Piketty, Yang and Zucman (2017). See wir2018.wid.world/methodology.html for data series and notes.

In 2015, the Top 10% national income share was 41%.

Chinese Marxism and Maoism



View of History



Maoism

1. Combined development
2. Revolutionary Strategy: New Democracy
3. 'Uninterrupted revolution in stages'
4. The role of the Party
5. Mass Line
6. 'Continuation of Class Struggle under Socialism'
7. Protracted People's War

Pre-1949 key dates

1911 First Chinese “Bourgeois” Revolution

1921 Foundation of CCP

1923-1927: ‘First United Front’

1925-27 Second Chinese Revolution

1931: Japanese invasion of Manchuria

1937-1945: ‘Second United Front’

1946-49 Civil War

The Maoist era 1949-1976



The Maoist era 1949-1976

Great Leap Forward 1958 -1962

Cultural Revolution 1966-1976

1976: Fall of the Gang of Four

China 1979 - today

Market reform and three waves of privatization.

Foreign capital and “the world’s sweatshop”

Urbanisation and Industrialisation.

Role of China

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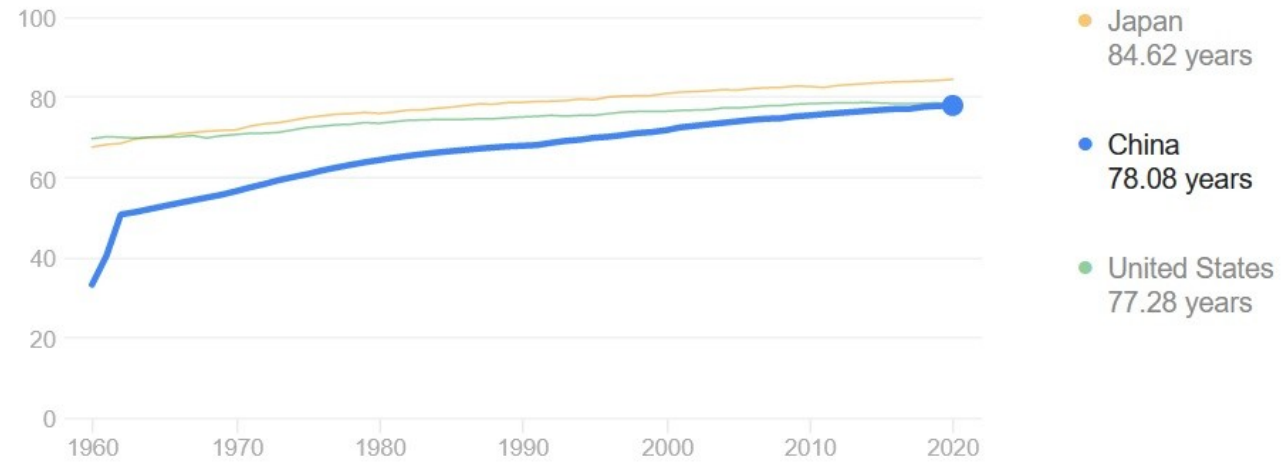
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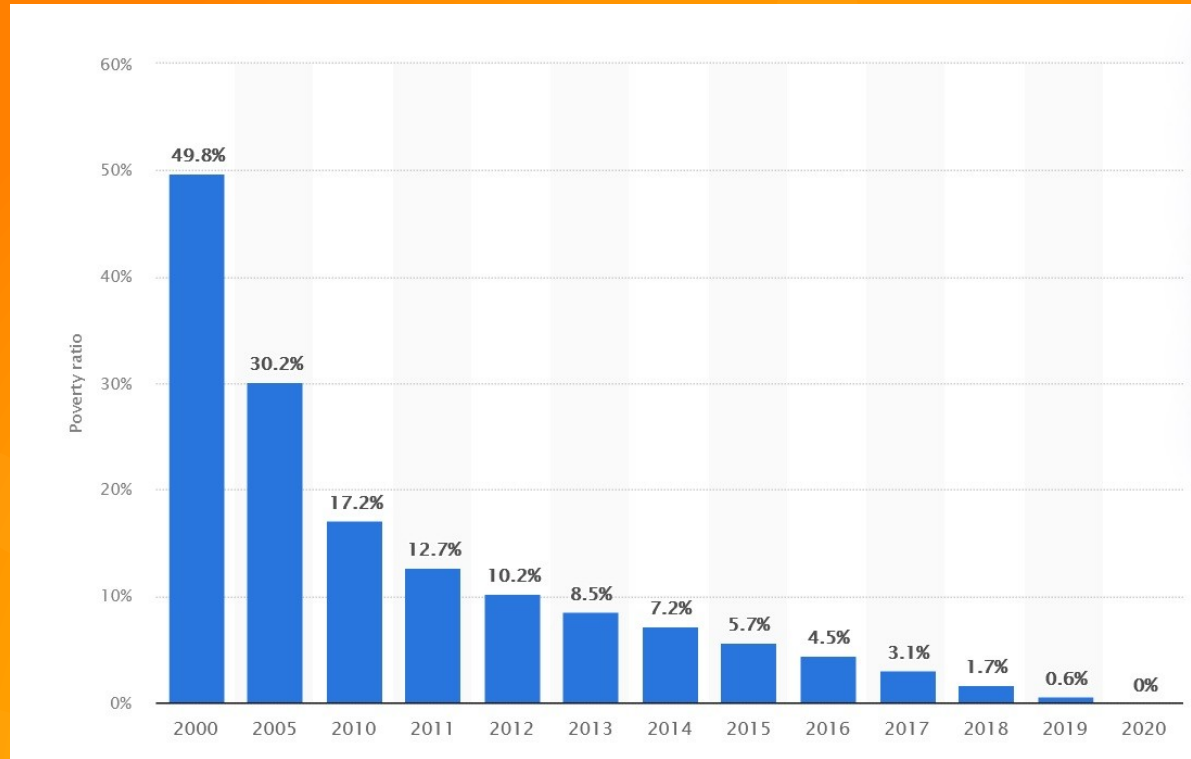
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China / Life expectancy

78.08 years (2020)



Poverty Rate

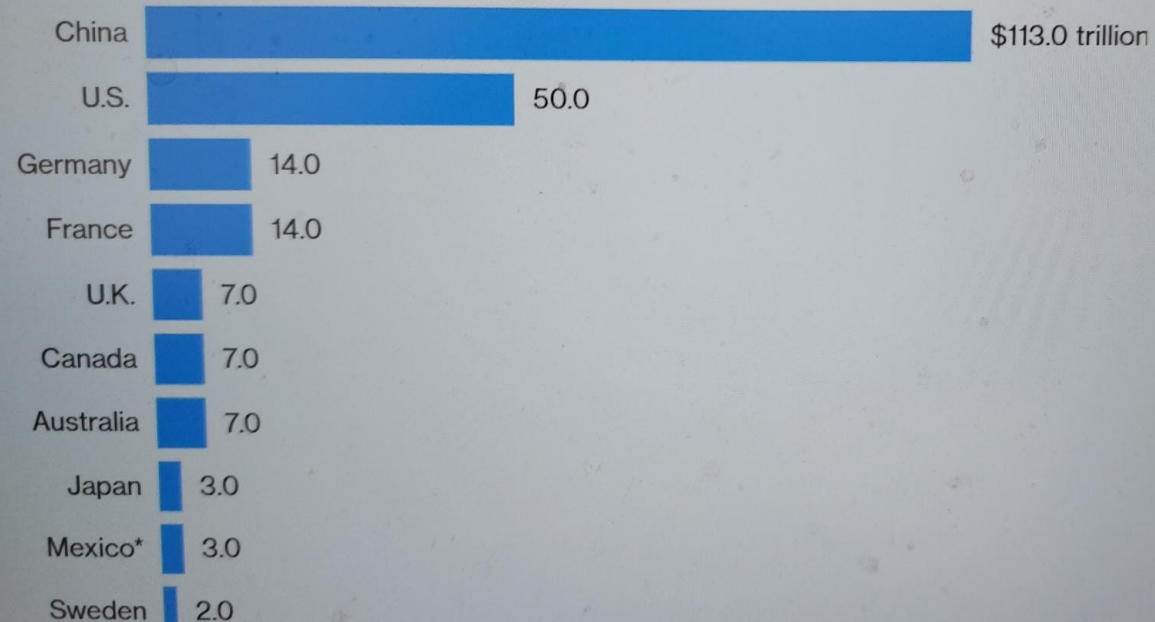


Threshold:
345 USD
pp per year

World's New Wealth

China accounted for almost one-third of gains in global net worth over the past two decades

■ Increase in net worth, 2000-2020



Commanding Heights

Government monopolized industries:

oil extraction, oil processing, tobacco,
coal, gas, electricity, heat production,
railway, postal, airlines,
telecommunication, banking & insurance

Commanding Heights

2006 state announces that defence, power generation and distribution, oil and petrochemicals, telecommunications, coal, aviation and shipping are strategically important.

In 2007, within the top 500 Chinese enterprises the state sector accounted for 69.8%, accounting for 93.6% of asset value, making 87.9% of the total profit and employed 89.3% of employees.

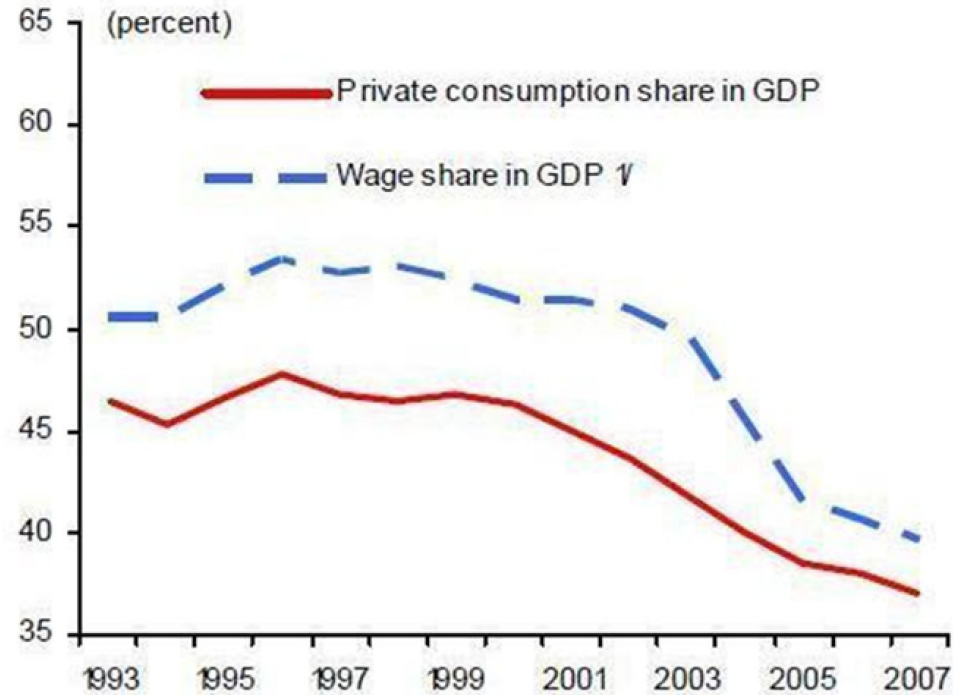
In 2011 China had three companies (the Sinopec Group, China National Petroleum and State Grid) listed in the top ten Fortune global 500, while overall it had sixty-one companies, the majority of which are state-owned, listed in the top 500.

A new ruling class

“in a society where the bourgeoisie had been destroyed by a communist state, the task of creating a new class of entrepreneurs... could only be performed by the communist state itself. The bureaucrats of the communist regime were best positioned to take advantage of the new market mechanisms.”

- Maurice Meisner, *The Deng Xiaoping Era*

Figure 16: Structure of the economy is key to increasing the role of consumption



Source: NBS, staff estimates

1/ from *China Statistical Yearbook*, table 2-20.

The New Working Class



Making and Unmaking of the Chinese Working Class

The great restructuring to make Chinese firms competitive.

The number of workers in SOEs shrank from 112 million in 1995 to 64 million in 2009.

The number of workers in urban collective enterprises declined from 35.5 million in 1995 to 6.2 million in 2009.

Women were the first to go, and accounted for 70% of those fired.

China's working population

China working population 2020: 771 millions

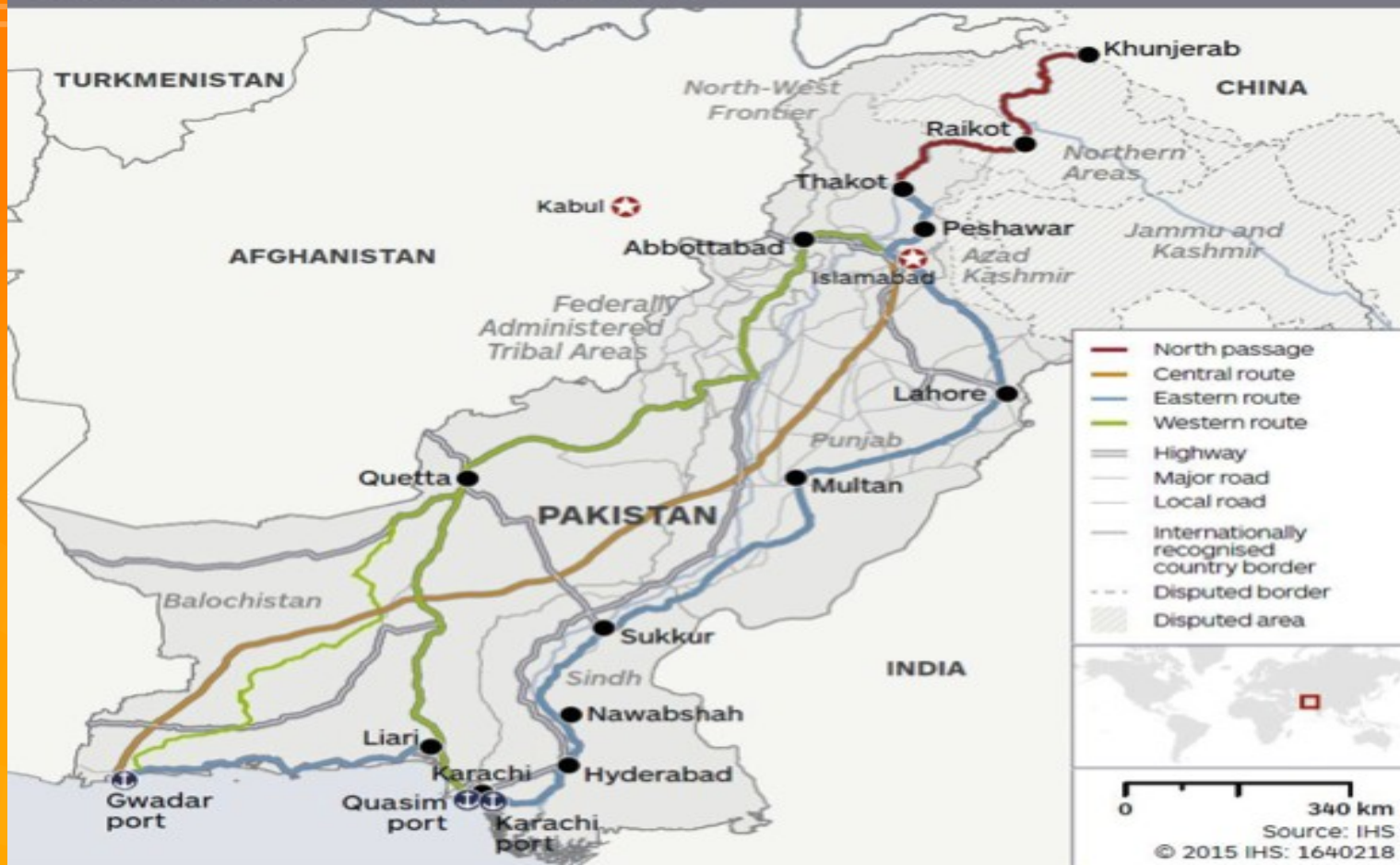
Distribution of China working population 2019:

	%	no. of people (millions)
Industrial	27	208
Agricultural	25	192.8
Services	47	362.4

BELT AND ROAD INITIATIVE 「一帶一路」倡議

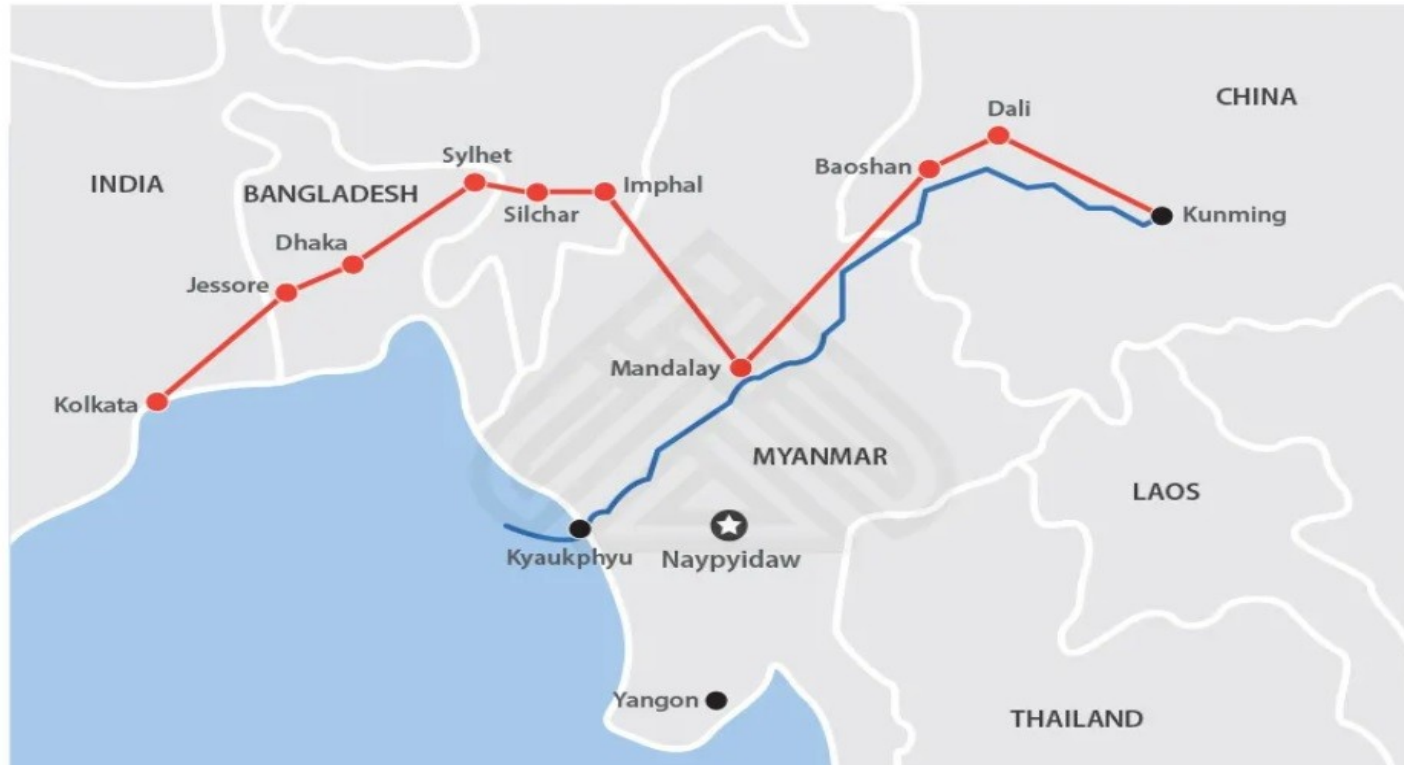


China-Pakistan Economic Corridor Map



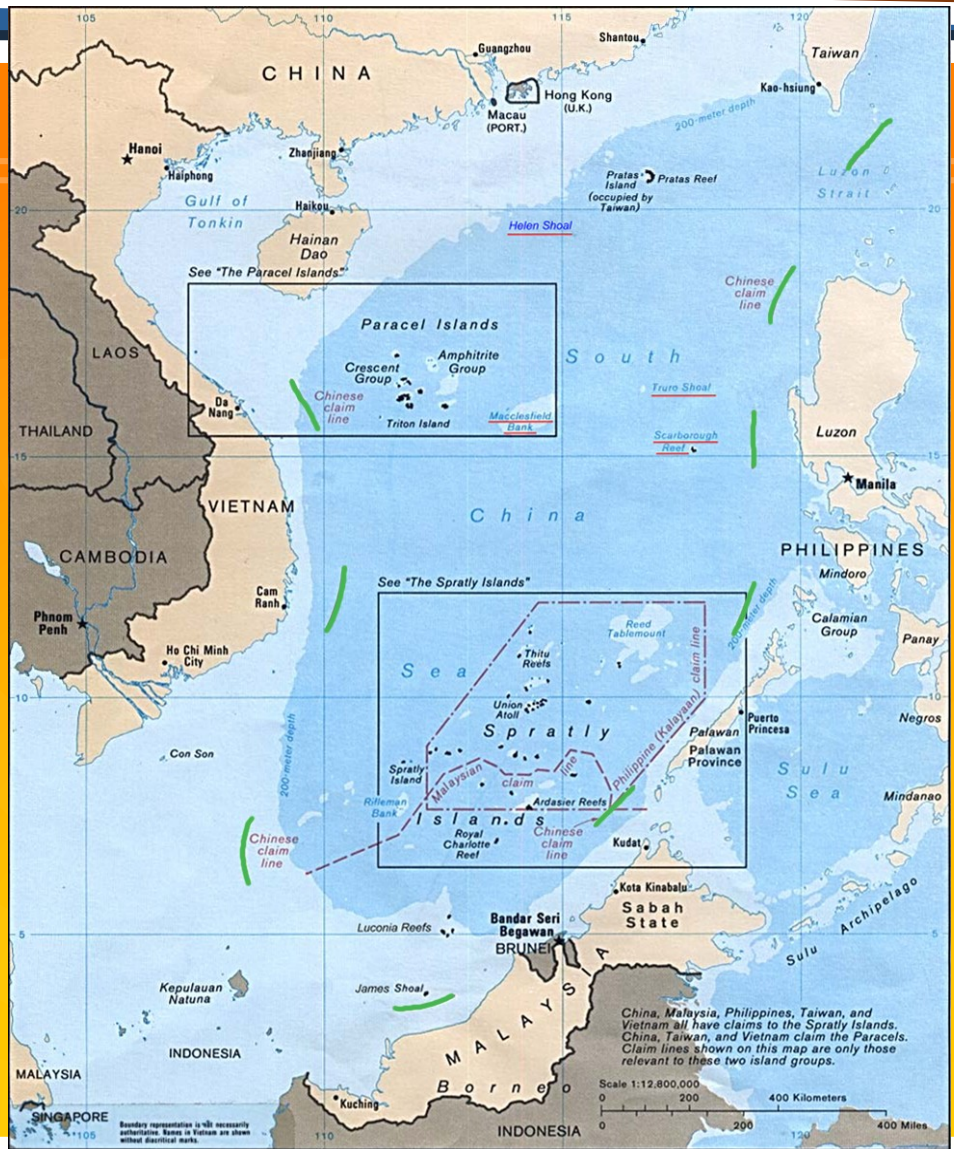
Belt & Road Corridors Between China & Myanmar

— Bangladesh-China-India-Myanmar Corridor — China-Myanmar Economic Corridor



West Philippine Sea





Future Risks for the CCP?

Inadequate consumer demand

Over-production

Expansionism – economic and political

The limits of the CCP



Who are our
enemies?

Who are our
friends?

This is a question
of the first
importance for the
revolution

– Mao Zedong, 1926