Role of the Communist Party in Modernizing China

In 2014, China overtook the United States as the world largest economy. Only one hundred years before, it lacked widespread running water and indoor plumbing. How did one of the world's worst economic and developmental backwaters become one of the world's leading superpowers both economically and militarily in less than a century? We'll explore that very question in the following essay. China today boasts one of the world's most remarkable turnaround stories in the history of time. How it got there is a matter of dispute among economists and scholars of social and political science but as I will demonstrate, it is the Communist Party of China, and its model of autocracy that has allowed it to accomplish such tremendous feats in such a comparatively small amount of time. China's model of Benevolent Autocracy puts Western Democracy to shame both in terms of efficiency and stability. We will explore several periods of history that led up to China's communist success, examine its failures and critique both its merits and flaws. We will also examine its recent change and shift towards more liberal and capitalist modes of production and its unique blending of socialism and capitalism in the form of state capitalism.

China in the late 18th century was a mostly rural society. It was made up of strong traditional beliefs and was mostly agrarian in nature. Peasants resided in villages for generations and often had strong familial or cultural ties with their landlords, who represented a second class in this anachronistic society. Often there was a social contract between the
different levels of society built on Confucian ideals that had served China well for well over 2,000 years. Filial piety and a strong sense of honor in the community had mostly regulated the affairs of the Chinese in these small villages for time immemorial. But as the 19th century began and the age of sail and imperium reached China's shores, a scourge known as opium began to make its presence felt in the Chinese hinterlands. At first, the trade was seen as a positive thing, but as time wore on China's government saw the negative effects that opium had on communities and the social fabric of Chinese towns and villages. Crime increased, vice proliferated in "opium dens" and eventually the Chinese government had enough. China closed its doors to trade with the European powers. Considering how essential trade with China was to the colonial powers' coffers, this soon proved untenable in the eyes of the British and Dutch. Disputes eventually culminated in the Opium wars of the mid-19th century. The first began in 1839 and ended 3 years later, the second began in 1854 and lasted until 1860. The Chinese lost both times quite severely due to outdated technology and with great humiliation, China again became a den of opium addicts and unbalanced trade deals with the European powers. It won't serve our purpose to go into great length about the causes and effects of the Opium wars, but these events laid the foundation for the later rise of nationalist movements and eventually, the communist party of China. The sting of humiliation by foreign powers angered many Chinese partisans, and after several rebellions including the Taiping Rebellion, China was effectively an economic wasteland. Decades of prolonged warfare, a lack of attention to economic modernization from the ruling elite and an almost total lack of industrialization had made China a target for exploitation and an economic backwater.

The turn of the twentieth century saw China at a lower per capita GDP than 50 years before.
In 1850 China per capita GDP was $600 measured in 1990 dollars. By 1950 it had declined to $448. The sting of European humiliation and the defeat of China in the Sino-Japanese war of 1894-1895 had led to a nationalist movement growing stronger in China. Warlords still controlled the northern parts of the country and the Boxer rebellion in 1900 solidified and even further stoked anti-foreigner sentiments in China. As the 20th century wore on, these proto-nationalist movements coalesced into the Xinhai Revolution of 1911 which led to the overthrow of the Qing Dynasty and establishment of the Republic of China. A year later the nationalist party was founded and the beginnings of the KMT were founded. The KMT would later play a massive role in the civil war that would lead to the People’s Republic of China and so their history is as significant as the CPC itself. In 1926, the Northern Expedition was led by the KMT Generalissimo Chiang Kai-shek to put an end to warlord rule and unify all of China and in 1928 they nominally succeeded. The Republic of China was never quite able to effectively manage China however and by the late 30’s things were becoming perilous due in part to the Japanese Invasion during the Second World War and the civil war at home. The KMT had expelled the communists from their ranks in the aftermath of the success of the Northern Expedition and the war became increasingly bitter. The KMT were leading anti-communist extermination campaigns and by the time the Japanese were pushing south from the great wall after establishing Emperor Puyi as a puppet "Emperor of Manchenko", the KMT seemed more obsessed with purging communists than the foreign invaders already present in their land. Eventually, the KMT and communists were forced to cooperate and led a defensive retreat first from Shanghai, then to Nanjing and finally to Chongqing in 1945. It’s possible China may have fallen entirely to the Japanese if not for the Allies decisive victory against the Empire of Japan in
1945. However as had been the case for almost the entirety of the past century, China was once again left devastated by war and economically broken. This blighted economic condition, combined with the tensions between the KMT and CPC who had been fighting a civil war even while the second Japanese-Sino war was raging, led to the People's Republic of China being established with the CPC the victors in 1949.

The Chinese Civil War became the true battleground of ideologies between the KMT and the Communist Party of China. The KMT had failed to modernize china and its economy during its near 40 year reign and its focus on purging communists had led to alienation of left wing factions and elements within the government. Yet their failure to unify China even despite the Northern Expedition had given the communists and opportunity to spread their influence far and wide. The Communist party of China had been formed in 1920 after receiving a Luke warm reception in the KMT and by 1928 had become a rival faction in its own right. This war added to the destruction of the Second World War and led to even less of an economic surplus needed for modernization. Finally, in 1949 the Civil war ended and the CPC established a one-party dictatorship that led to what we understand as modern China.

The Communist Era in China is often seen as one of failure through the eyes of the west, with its great leap forward and cultural revolution being hallmarks of the period. But upon digging a bit further beneath the surface one finds more than simply two failed social programs of monumental scale, in an era before modern computers made a centralized economy even possible. After the war ended in 1949 most of China's infrastructure, factories and mines were destroyed. The first priority of the government in 1949 was simply the restoration of the
economy to a functioning state and the improvement of the nation's infrastructure. This was accomplished in short order through an establishment of a central bank of China. We see from the very beginning of Communist China a mixed socialist/capitalist system was always used in practice, rather than a hardline communist approach as we saw in the Soviet Union. If the USSR was Hard Communism, China had always been Soft Communism, more nationalist than truly communist. In explaining the reforms of Deng and his fellow capitalist in roaders, this trend simply continued over time and gained strength. The state embarked on a massive public works program along with tightening credit, centralizing all government departments, and guaranteeing the value of the currency. This achieved tremendous things in the cities while agricultural reform achieved tremendous things in the countryside. Almost half of land ownership was redistributed from the rich landlord class to the poor masses who held almost no land or no land at all, after this was established, farmers and communities were encouraged to cooperate in communal farming units on an informal basis. This was very much unlike the forced collectivization of the kulaks in the Soviet Union under Stalin, further reemphasizing the differences between the Soviet Union's hard communism and the PRC's soft communism. And indeed, in the early years, most of society was enthusiastic about the collectivization schemes. These attempts at rebuilding and reconstruction following decades of war were successful and by 1952, the economy was back to its pre-war peaks of productivity, commerce had picked back up and life seemed to getting back to normal.

The first 5-year plan was established in 1953, and its purpose was to promote increased socialism and industrialization, to further modernize China's economy. Mao and the CPC adopted the Soviet Model, an approach that seemed to frequently fail in Communist China and
eventually led them to abandon it, and focused on large central government organizations, centrally planning the economy and a high emphasis on industrial growth and heavy industry at the expense of agriculture made up of large collective units. The farming was collectivized in a greater way, away from the small mutual aid teams that had characterized the recovery period and into large agricultural cooperatives. The first five-year plan by all accounts was a roaring success. Modernizing the heavy industry sector, industrialization and other modern improvements such as public transit, launched China into the 20th century instead of being stuck 100 years in the past as had been the case only a few decades before. Tremendous modernization and technological progress was achieved in China during the early years of the communist party. In the early years, the dictatorship of the Communist Party of China led to increased standards of living and a truly unified populace.

The great leap forward followed in the late 50's and early 60's. Instead of continuing to follow what was working in the form of five year plans, Mao became dissatisfied with the inefficiency and substantial but not mind-blowing progress the country was making. Rather than continuing to manage the economy centrally, Mao and the CPC abandoned the five-year plan system and shifted tremendous decision making power and autonomy back onto the provinces and districts that made up China on a smaller, local level. He then began to encourage people to focus not on progressive growth over time, but on "heroic" leaps towards success and efficiency to further propel China into the modern era and to make up for lost time. This led to disaster. Disorganization and famine were the result, leading to massive backlash against the CPC among the proletariat and the workers. It also resulted in negative consequences for Mao who saw his position erode after the failures of the great leap forward.
The approach failed utterly and by 1960 the CPC was focusing on agriculture over the expense of Heavy industry. The CPC resorted again to systemic growth and made reorganizational changes to the way agriculture was managed. Technology was improved and increased in the agricultural sector likely borrowed or obtained from the green revolution that was then occurring worldwide. Government reforms followed as well, authority was moved from the central government even further into the local worker’s communes, taxes were reduced and economic stability began to arise once more. By the mid 60's, the agricultural yields had recovered to peaks not seen even during the height of the great leap forward years.

Mao saw his political currency dwindle after the failure of the great leap forward. His response was to mobilize the red guard, groups of student revolutionaries throughout the country and in what became a popular movement, lead to the cultural revolution of the late 60's that permanently sealed Mao's negative reputation among the West. The cultural revolution led to social upheaval, vigilante justice against "capitalists" and an erosion of much of the progress of previous years. Fortunately for China and the CPC, much of this damage would be short lived.

In any modern economy, for capital investment to take place several things are required. 1.) An agricultural surplus beyond the mere necessities of life 2.) Educational systems 3.) Strong leadership 4.) Political stability. For the vast majority of the prior 100 years, China had none of those things. Now with a unified single party government paired with a social contract between it and the people, success was an inevitability. The socialist social contract, that great ideal that motivated the formation of the People's Republic of China motivated the working class to
produce harder and yet be satisfied with a lower amount of material goods, so that a surplus could build. This surplus would be placed under the direction of the Communist Party of China who would manage it and use it to modernize and develop China and bring the whole society into prosperity. Together, all of China would rise without much if any social inequality. Yoked together like oxen, it would pull together, rest together and prosper together. Or so was the promise. While founded on good intentions, the party cadres quickly became greedy and desired more than the peasants and workers. By the time the first 5-year plan had been established in 1953, party elites were already beginning to desire greater privileges for their expertise. This led to a partial failure of many of the smaller projects that were taking place in the rural countryside during the early years of the People's Republic of China. Like yeast in dough, a little selfishness of a privileged few, spoiled the whole loaf. Mao's answer to this was more revolution. The dictatorship of the proletariat was the answer, more revolution would only lead to a more ideal communist society. Another faction led by Deng Xiaoping was in favor of reform and openness to the west.

Mao died in 1976. With him died the era of true communism in China, but what remained was a benevolent authoritarian government with strong control over almost every aspect of economic life. The true legacy of Chinese communism isn’t that it was abandoned shortly after implementation, but that it paved the way for a truly autonomous government free from interference from foreign powers and existing largely along egalitarian grounds, unlike the nationalist KMT of the prior republic. The socialist social contract, the iron rice bowl, was now firmly entrenched and established as a norm, and even though communism was abandoned after Deng’s reforms in the 80’s the people still looked to their government as their benefactors
and the government looked to its’ citizens as its’ people. This social contract is perhaps the most important thing about the communist revolution and now doubt prevented massive amounts of abuse that would otherwise take place in such an authoritarian government. The west embraces checks and balances having long felt the boot of kings on its’ neck, but the Chinese embrace a more implicit form of control. Governments should serve their people, and they cannot do that when they are continually open for purchase as most western democracies currently are. Likewise, the CPC fulfills a moral function in China, a country that lacks strong religious influences to keep the population in check.

Deng’s reforms opened China to trade with the west and the rest of Asia on the basis of a mixed economy. His way of selling this to the party and to the people as “Socialism with Chinese characteristics” has led to an interesting mixed economy with a titular socialism. In any case, Deng’s reforms have brought tremendous benefits to the Chinese people. In the last 30 years, per capita GDP has risen from $979 to $14,289. (See attached graph for source) This, combined with the strong social contract still implicit and explicit between the Chinese government and its people ensure that for a developing country, it has near first world living standards in many places. Running water is now the norm, indoor plumbing as well, and health and safety regulations are an improvement over many third world and developing countries. Economic growth is the name of the game in modern China. Could a western, multiparty democracy do so much? It’s doubtful. The fits and starts of the US economy over the last 10 years prove what a lack of political stability does for a nation’s economy. Contrast this with CPC China and you have 30 years of unending growth in per capita GDP. It would seem that Market Socialism is the way of the Chinese future, with benevolent authoritarian government and
limited democratic principles. In September of 1984 Deng Xiaoping said the following: “What is socialism and what is Marxism? We were not quite clear about this in the past. Marxism attaches utmost importance to developing the productive forces.

We have said that socialism is the primary stage of communism and that at the advanced stage the principle of from each, according to his ability, to each, according to his needs, will be applied. This calls for highly developed productive forces and an overwhelming abundance of material wealth.

Therefore, the fundamental task for the socialist stage is to develop the productive forces. The superiority of the socialist system is demonstrated, in the final analysis, by faster and greater development of those forces than under the capitalist system.

As they develop, the people's material and cultural life will constantly improve. One of our shortcomings after the founding of the People's Republic was that we didn't pay enough attention to developing the productive forces. Socialism means eliminating poverty. Pauperism is not socialism, still less communism."

In conclusion, the Communist Party of China has faults. Human rights violations and other mistakes continue to occur sporadically. But the CPC has brought something to China which it lacked for almost 200 years before its founding: Stability. This may seem a trifle in the modern world, dictatorships are often very stable but they do not necessarily justify their existence from that alone. And this is a wise criticism, but as I have laid out above, not only has the CPC brought stability, but they've brought prosperity to China. All on an explicit egalitarian basis, even if not truly communist. If a government or political apparatus brings stability, safety and
economic prosperity, what more can be asked for? Certainly, it does not excuse the CPC’s human rights violations, but every revolution has its casualties and every government makes mistakes. Let’s not discount the future either. China has learned from its mistakes. It has embraced openness to new ideas and new economic principles. But what it holds valuable above all is power. This power is morally neutral and can be beneficial or negative. But so long as there are stated socialist aims in the nation’s constitution, and a strong ideology of serving the people, how far can a modern, prospering, functioning nation-state truly fall? Prosperity acts as a check for civil unrest and the socialist ideals and values act as a check against indulgence. The economic reforms of the CPC may be capitalist in nature, but the stated aim is socialist. So long as the CPC doesn’t drift too far from its socialist roots, the Chinese people can look forward to a century they can call truly their own. The future is bright, it’s red, and it’s made of the hopes and dreams of the Chinese. I’ve included several graphs to support my arguments in the appendix that is attached at the end of this paper. I hope my argument in favor of China’s model of benevolent autocracy proves compelling and that I have adequately expressed the history of modern china and the role the CPC has had in modernizing it.
This graph is a depiction of China’s rise on the UN’s Human Development Index.
Bibliography


