



# **The International Role of China**

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The rise of a new global power, China, has provoked a great deal of interest from analysts and ordinary workers all over the world. This interest is even more intense amongst politicized people, who understand the era of social revolutions which began with October 1917 in Russia and which led to a series of important socio-political struggles and revolutions in the entire world, among them the Chinese revolution. The interest concerning the rise in China's power is contradictory, as the increase of its power is taking place under red flag and with the CP of China in power.

Nevertheless, one of the "lessons" of the counterrevolution in the Soviet Union is that communists should not have accepted unquestioningly whatever the CPSU said but that every CP, while remaining true to the principle of proletarian internationalism, should study with its own resources the developments, the experience of the international communist movement and must attempt to form its own opinion concerning these things, utilizing Marxist-Leninist theory as

its tool. The KKE reserves its right of criticism within the international communist movement with the aim of strengthening it and the strategy of the communists. The KKE confronts deviations from the principles of Marxism-Leninism and the laws of socialist construction, while maintaining bilateral relations with communist parties which have different approaches.

On this basis the KKE, while it continues to maintain bilateral relations with the CP of China, systematically follows developments and forms its own assessments which it expresses both publicly and to the CPC. As is well-known, the KKE already from its 17<sup>th</sup> Congress (2005) noted the expansion of capitalist relations in China. In the period since then this tendency has been reinforced and is even more evident.

### **Developments concerning the International position of China in the Economy**

The increase of China's economic power is unquestionable. It is widely considered that China has overtaken Japan and is now the 2<sup>nd</sup> largest

economy in the world<sup>1</sup> after the USA, while in 2010 it outstripped Germany and became the largest exporter in the world. During the period January-October 2009 China exported products worth 957 billion dollars<sup>2</sup>. Exports make up 80% of the states transactions<sup>3</sup>. China exports 50 thousand different types of products to 182 countries, while 80 of these countries have signed trade agreements and protocols of cooperation with it. The basic trading partners of China are the major capitalist countries (Japan, USA, EU countries), which account for 55% of its foreign trade transactions<sup>4</sup>.

A fact which reflects the changes which have taken place over the last 20 years is that although in 1993 China exported oil, today is compelled not just to import it but in 2009 the amount of oil it imported was comparable globally to the USA.

In 2010 China acquired the second place globally (after the USA) in the list of billionaires per country (130), the fortunes of whom have increased by 222% within a year. It is also estimated that the 1,000 richest people in China

increased their wealth within a year by 30%-from 439 billion dollars to 571 billion dollars<sup>5</sup>.

We could also compare these statistics to others which demonstrate the misery and exploitation which hundreds of millions of workers experience in modern China, as a result of the policy of ‘enrich yourselves”, which the CPC has openly followed for 30 years. We will mention the following, according to the estimates of the association of Chinese businessmen, as was shown on Chinese television: 8.5% of the 500 largest monopolies in the world are Chinese (43 companies). At this moment American monopolies have double the size of profits in comparison to the Chinese but the trend is for Chinese monopolies individually to be more profitable and to have a faster rate of accumulation than American ones.<sup>6</sup>

The official statistics also show that in the period from 2004 to 2010 the number of private companies in China increased by 81%, while today the number of private businesses in China has reached 3,596 milions<sup>7</sup>. The profits of the 500

largest private corporations increased by 23.27% in 2009.<sup>8</sup>

At the same time these corporations operating alongside Chinese state monopolies have increased international competition. 117 of these companies participated in 481 investment plans abroad, where they invested 225,27 million dollars<sup>9</sup>. In total Chinese direct investments globally in 2009 came to 56,53 billion dollars (5.1% of global investments), placing China in 5<sup>th</sup> place in the list of global investors<sup>10</sup>.

The rise of China's economic power prompted a series of international banks in June 2010 (such as HSBC, Deutsche Bank, Citigroup) to push businesses to use the Chinese Yuan instead of the Dollar for their transactions<sup>11</sup>.

At the same time, in September 2010 China increased its acquisition of American bonds by 3 billion dollars reaching 86.7 billion dollars and maintained its position, ahead of Japan, as the largest foreign holder US bonds<sup>12</sup>. In addition, it signed an agreement with the International

Monetary Fund (IMF) in order to buy bonds worth 50 billion dollars.<sup>13</sup>

Another noteworthy feature is China's desire to control as many natural resources as possible, which are increasingly controlled by the Chinese corporations. Africa is at the centre of this activity. The following is particularly characteristic: In the 1990's Chinese trade in Africa as a whole was about 5-6 billion dollars, by 2003 this had increased to 18 billion dollars and in 2008 it reached 100 billion dollars<sup>14</sup>. Today China has a significant economic presence in nearly all the African countries. In the copper belt of Zambia and the Democratic Republic of Congo (DRC), there exists the fastest growing Chinatown in the world. Sudan has become one of the main suppliers of oil to the Chinese market: 600,000 barrels of Sudanese oil are sent to China on a daily basis. A third of all China's imports come from Africa, with Angola, Ecuadorial Guinea and Sudan being the largest suppliers. In addition, Chad, Nigeria, Algeria and Gabon supply China with oil.



In exchange for the access to the natural resources of the African countries China invests in road infrastructure and ports, in infrastructure necessary for the reproduction of labour power (school buildings, hospitals, housing), as well as in industrial infrastructure in these countries. Chinese companies are building roads in Angola and Mozambique as well as upgrading their ports and railways. Chinese companies are also involved in many projects in Addis Abbaba, the capital of Ethiopia, and in Nairobi, Kenya.

Peking's quest for raw materials is not restricted to Africa but extends to less distant regions. It has significant investments in mining and other natural resources in Myanmar (timber, precious stones). According to the Minister of national planning and Development of Myanmar direct foreign investments in the economic year 2008/2009 were 6 times greater in comparison to the previous year (from 173 to 985 million dollars), 87% of these investments were Chinese. According to some estimates, about 90% of Myanmar's economy is supported by Chinese capital.

Chinese companies are active in the Middle East, especially in Iran, where an investment in the construction of only one industrial complex for the production of aluminum (for the production of 110,000) is estimated to reached 516 million dollars. Iran competes with Saudi Arabia as an oil supplier to China.

Another important supplier of oil to China is Venezuela. China has invested 2 billion dollars for the development of oil extraction in this country. In 2004 Venezuela sold 12,000 barrels of oil a day to China, in 2006 it sold 200,000 barrels a day and it is planned that this will increase to 500,000 barrels by 2011. This oil will be sent to China after it has been processed in a new plant especially designed for Venezuela's crude Oil. It will pass through the Panama Canal which is now controlled by Chinese business interests and has been redesigned so that tankers from Venezuela can pass through, in accordance with the Chinese investment plan. China in order to "bind" Venezuela economically signed commercial agreements worth 9 billion dollars for the development of Venezuela's infrastructure, as

well as in the sectors of mineral extraction, agriculture and telecommunications.

China was able to acquire significant access to natural resources in Siberia and central Asia. In August 2010 opened the pipe-line which connects China to the natural wealth of eastern Siberia. Initially China will import from Russia 15 million tones of oil annually, with a view to doubling this amount in the future.

In addition, China was able to gain access to the natural gas of the Caspian Sea region, by constructing a pipeline from Turkmenistan with a capacity of 30 billion m<sup>3</sup> . At the same time it is in negotiations with Russia's "Gazprom" for the construction of two new gas pipe lines to transport 63 billion cubic meters annually, something which is the equivalent of the quantity of gas which is transported through "South Stream" from Russia to Southern Europe. In addition it is estimated that China controls today 23% of petrol extracted in Kazakhstan.

## **Increase in China's Military Strength**

In recent years China, like other imperialist countries, has proceeded to strengthen its armed forces significantly. Today the Chinese armed forces are the most numerous in the world, with 2,300,000 troops. Nevertheless, as is well-known, what is important today is not the size of the army, but the acquisition of modern weapons' systems and flexible, well-armed military forces.

In 2010, China increased its military expenditure by 7.5%, reaching 532.1 billion Yuan (77.9 billion dollars)<sup>15</sup>, which is about 25% more than the annual expenditure of Russia and 10 times less than that of the USA. But it should be noted that the USA estimates that the real amount which China will spend on the military in 2010 will be double and reach 150 billion dollars while it estimates that, in a period of 4 years, since 2006, Chinese military spending has quadrupled!<sup>16</sup>

Today China possesses 434 nuclear warheads<sup>17</sup>, 1,500 ballistic missiles, most of which have a range of 2,800 kilometres, while 20 have a range

of 4,750 kilometres and 4 missiles with a range of 12,000 kilometers. It has the third most submarines in the world and is among the 5 countries in the world that possess nuclear submarines with ballistic missiles. In 2007 China shot down (with a missile) one of its own satellites, demonstrating that it has the capability to take action in space and is developing its own space programme. It still possesses 7,580 tanks and 144 warships, almost 1700 fighter planes, 500 of which are 4<sup>th</sup> generation and it will have 5<sup>th</sup> generation fighter planes in operation by 2018. It imports arms but also manufactures dozens of modern weapons, buying up the patents of weapons systems, and also by simply copying them. Soon it will acquire its first aircraft carrier.

According the report of the Chinese Academy of Social Sciences, China is 2<sup>nd</sup> in the world in terms of its defense spending, the size of its armed forces and their equipment<sup>18</sup>. In conclusion, even if China cannot at the moment compare with the military power of the USA, even if it lags behind the USA concerning the question of a theoretical deterrent response to the nuclear first strike (a

capability which Russia for example possesses), at the same time it has made notable progress in the field of military strength. This has not gone unnoticed by the USA-it is noted in reports of related authorities and in publications of their experts.

### **Strengthening its Presence in the International Organizations**

China is a member of the UN since its establishment and a permanent member of the Security Council. It has increased its economic contribution to the UN from 0.995% of the UN's budget in 2000 to 2.053% in 2006, while in 1988 it declared its availability to contribute to the UN's "peace-keeping forces". Since then it has taken part in dozens of UN "peace-keeping" missions (Liberia, Afghanistan, Kosovo, Haiti, Sudan, Lebanon etc.) and it maintains a "peace-keeping force" of over 6,000 troops<sup>1920</sup>. The Defense Minister of China in a speech noted that China in total participated during 2010 in 24 peace-keeping missions, involving 10,000 soldiers, and that it is the most active of the

permanent members of the Security Council in “peace-keeping missions”.<sup>21</sup>

China together with Russia and the central Asian countries, formed in 2001 the “Shanghai Cooperation organization” (SCO), which although it carries out annually massive military exercises”, is not considered to be a military “bloc” and chiefly promotes issues concerning the economic cooperation of countries in the region and its political security. This demonstrates the importance that China attaches to a region with massive natural wealth, such as Central Asia, which in the last 20 years has become a source of discord in the inter-imperialist rivalries. At the same time, China has been a member of the “Asia pacific Economic Cooperation” (APEC) since 1991 which was founded in 1989 at the initiative of Australia and New Zealand. 21 countries participate, in APEC while in these countries live 40% of the world’s population, 54% of the world’s GDP and 44% of global trade is carried out.

Finally, it has participated in the fora of the most advanced capitalist countries (at the G8 as an observer and the G20 as a full member), and at the same time without any specific organization having been formed it cooperates with the BRIC countries (Brazil, Russia, India, China), which seek their upgrading within the international correlation of forces. These countries closely coordinate their interventions in the G20, while at the same time they also try to coordinate their activity in the UN.

### **Assessments Concerning the Position and Role of China in the International Imperialist System Concerning Its Economic Position**

1.China, particularly from the 1980's and onwards, has linked its economy with the international capitalist market. This is a fact which is not denied by the Chinese leadership, but is indeed extolled by it. It participates actively in the global capitalist allocation of roles as a massive "factory" with a cheap labour force, with high rates of profits for those capitalists who have the ability to invest there.



2.As a result of this change in direction, China has been embraced by other strong imperialist powers, above all by the USA, and also by Japan, the EU, due to its dependency on them as a global exporting power. It is an integral part of the international imperialist system. This relation of dependency and inter-dependency is expressed by the fact that China possesses American bonds.

3.As long as China strengthens economically, so will its needs for raw materials and fuels increase. For this reason inter-imperialist competition over the control of the energy sources, in Central Asia, the Middle East, Africa, and Latin America is sharpening at global level.

As Lenin wrote *“The capitalists divide the world, not out of any particular malice, but because the degree of concentration which has been reached forces them to adopt this method in order to obtain profits. And they divide it “in proportion to capital”, “in proportion to strength”, because there cannot be any other method of division under commodity production and capitalism. But*

*strength varies with the degree of economic and political development”<sup>22</sup>*

The competition for the share of the markets is particularly fierce. This is demonstrated by the recent effort of political-economical circles in the USA to push forward legislation which provides for sanctions against those countries which it considers that they artificially keep their currency undervalued, in order for their exports to have competitive prices, in this way taking control of markets and removing their competitors.

The following arguments are used to counter what has been outlined above.

- a. The argument that the USSR also had external economic relations. We should remind ourselves of the following: Over half the commercial transactions of the USSR were with other socialist countries of the council of mutual economic assistance. Almost a third of the USSR's transactions involved oil and natural gas, which it possessed in abundance while the turn towards increasing its exports

and developing its relations with the most developed countries, occurred after the 1960's, guided by the opportunist viewpoint of so-called "peaceful coexistence" and "peaceful competition". Nevertheless, even then, the USSR never possessed 1/3 of the US's bonds nor did it export capital. And so it never occurred to anyone that the USSR could buy the port of Piraeus and the Thriasio! Facts, which show the qualitative difference between China today and a socialist country, like the USSR.

- b. Sometimes we hear from certain quarters, that in contrast with other imperialist powers, China with its investments in developing countries does not seek the plundering of their natural resources, but the creation of infrastructure (roads, buildings, facilities, hospitals, schools etc). The goal is, as the Chinese themselves claim, that these countries "improve the development of their infrastructure and promote business cooperation"<sup>23</sup>. China implements special medical programmes in developing countries,

programmes for the training of executives from these countries, for the reduction of the duties on the imports of the products of these countries into China, which absorbs 50.1% of all the imports from less developed countries<sup>24</sup> to developed ones, and at the same time it provides low interest loans. The above are presented by some as evidence that shows the difference between “socialist” China and other imperialist powers.

Even if we accept that there is a difference in the way in which China operates in Africa, in Asia etc, in comparison to other imperialist powers (something which is questionable, since they develop similar “humanitarian” and “educational programmes” in less developed countries e.g. the EU up until 2008 was the largest aid sponsor and commercial partner in Africa)<sup>25</sup>, in essence these measures do not alter the ultimate goal of China’s activities. The goal is the facilitation of Chinese investments in these countries, the facilitation of the “path” of Chinese capital, which operates in these places, that is to say the accumulation of capital. This activity is assisted e.g. when there is

a modern infrastructure (roads, ports, airports, buildings), as well as infrastructure necessary for the education of the labour force, which is required for the businesses to function. The low-interest loans which are provided by the Chinese banks or the absorption of the exports of these countries by China aim at the safeguarding of more favourable conditions for the penetration of Chinese capital into these countries as well as strengthening its relations with them- with an eye on co-opting them into a political alliance in the various international organizations (UN, WTO et), where (as we shall examine later) China is trying to lead a bloc of countries together with other capitalist states which seek to strengthen their international position.

### **The Promotion of China as a counterweight to the Imperialists**

The growing interest in China within the ranks of the international communist movement is related to whether the upheavals and changes in the correlation of forces, which have been caused by the “rise” of China at a regional and global level,

could lead to the creation of a new “counterweight” to the imperialists, a role which was played by the USSR in the past.

## **Historical Precedent**

It is important to remind ourselves of certain facts from the past. As long as the Soviet Union existed, Chinese foreign policy was coordinated with that of the USA against the USSR. This stance initially was presented as criticism of the opportunist turn of the CPSU at its 20<sup>th</sup> Congress. Of course, we know today that in the beginning the CPC did not actually differentiate its position, openly or in essence, from the directions of the 20<sup>th</sup> Congress of the CPSU. Its disagreement was published later, motivated by Sino-Soviet border disputes. The stance of the CPC had some impact on CPs, due to the opportunist sliding of the USSR into positions concerning “everlasting peace and competition” with the imperialist powers within the framework of “peaceful coexistence”. Nevertheless after the 20<sup>th</sup> Congress the CPC did not restrict its criticism to the opportunist positions, but chose a strategy which in practice led on many occasions to a hostile

stance in relation to the international communist movement and the USSR, and in coordination with the USA, to a position against the interests of the world revolutionary movement. The CPC proceeded on the basis of its analysis concerning the “three worlds”: the “first world” was made up of the “superpowers” (indeed the USSR was labeled a “social-imperialist power”), the “second world” made up of the wealthy allies of the superpowers, and the “third world” made up of the developing countries, including China.

A typical example is the attitude of China in relation to the internationalist assistance which the USSR gave to the People’s Revolutionary State Power in Afghanistan.

On this occasion China was a part of the “bloc” of forces formed by the USA, together with Saudi Arabia, Pakistan and others, bankrolling the most reactionary social-political forces in Afghanistan, which were waging an armed struggle against the newly-established people’s government<sup>26</sup>.

In an article of the “Washington Post” of 19<sup>th</sup> July 1992 concerning the tactics of the CIA in relation to Afghanistan in 1890, it is mentioned that China sold weapons to the CIA and donated a smaller number of weapons to Pakistan. At the same time the article stresses: “To what extent China played a role constitutes one of the best kept secrets of the war”,<sup>27</sup>. In this article there were also references to the types of weapons that China gave for the strengthening of the counterrevolutionaries.

Another characteristic example is the attitude of China to the struggling people of Vietnam, during the period of its national liberation struggle. China rejected the proposals of the USSR for the organization of joint actions to support Vietnam. “Peking rejected the proposals of the USSR to close the airspace of Vietnam to the American invaders. The leaders of China refused to provide airports in the south of the country for the stationing of Soviet military planes, which could have defended Vietnam. The Chinese authorities blocked the transportation of military equipment and experts from the USSR to the Democratic



Republic of Vietnam”<sup>28</sup>. Later, just a few years after the liberation of the country from the imperialists, on 17<sup>th</sup> February 1979, China unleashed a military attack against Vietnam. In February 1979 preceded the visit of the Chinese Vice-President, Deng Xiaoping, to Washington, who spoke of the need “to give a bloody lesson to Vietnam”, something which was applauded by the American politicians who promised the provision of weapons from Western countries<sup>29</sup>. After 30 days fighting, the Chinese army of 600,000 troops, which had invaded Vietnam, and had lost 60,000 soldiers, about 300 tanks, and 100 pieces of heavy artillery and mortars, was forced to withdraw.<sup>30</sup>

As we know today, during this period there were many contacts at various levels between China and the USA. On 4<sup>th</sup> November 1979, an official “leaked” document was published in “the New York Times” which mentioned that American military assistance to the People’s Liberation Army of China was estimated at 50 billion dollars, in order to -as it noted- “constitute an obstacle to the Red Army”<sup>31</sup>. In addition, when the Secretary

of National Defense for Research and Engineering, William Perry, visited Peking in 1980, he informed the Chinese that the Government of the USA “approved the export of 400 license applications for various kinds of dual-purpose goods and military equipment. These include materials such as geophysical computers, heavy vehicles, C-130 transport planes and Chinook helicopters”.<sup>32</sup>

Another example is the position which China took concerning the civil war in Angola, where it supported (economically and militarily) the local forces of reaction, which fought in a united front along with the racist armies of South Africa-which had invaded the People’s Republic of Angola.

The People’s Republic of Angola was supported by weapons and military advisors from the USSR and by thousands of Cuban volunteers who fought voluntarily and contributed decisively to the crushing of the South African forces and the defeat of the domestic reactionary forces<sup>33</sup>. As has

been revealed today by the de-classified documents of the CIA, during this period there was a peculiar form of “coordination” between the USA and China, including even the military operations which were carried out in Angola.<sup>34</sup>

## **The Situation Today**

Let us return to the present. Today, with the development and predominance of capitalist relations of production in China, with its participation in imperialist organizations such as the WTO and its assimilation into the imperialist system, its stance does not differ from that of the imperialist powers. Whatever disagreements it has with the USA are related to the “division of the loot”, while there exists “harmony” over the question of labour rights, which are being reduced for the “good” of the market economy, and also against states whose action offend any of the leading imperialist powers’ monopolies.

One example is the attitude of China concerning the nuclear programme of Iran. As we know, China has developed a close economic cooperation with Iran, which is one of its basic

suppliers of oil. Despite this cooperation, in September 2010 China, as well as Russia, joined together with the USA, France, Germany and Great Britain (“the group of 6”) on the question of Iran’s nuclear programme, demanding that Iran back down and accept the conditions of the UN Security Council concerning its nuclear programme. Earlier in June of 2010, China had agreed in the UN Security Council to new sanctions against this country.<sup>35</sup>

A second example is the stance of China in relation to Kosovo. Even if China and other imperialist powers have not yet officially recognized Kosovo, it is worth noting that in the UN security council it did not have a consistent and decisive position against the NATO assault in the Balkans, while it abstained from the voting on the peace-keeping mission, in which NATO plays the leading role (the notorious KFOR)<sup>36</sup> and later it participated in the NATO occupation by sending police forces.

Furthermore, in 2010 we had the despicable decision of the International Court in The Hague,

which stated that Kosovo's declaration of independence was not in violation of international law. Some judges held a different position concerning this very important decision. Thus, the judges from Russia, Slovakia, Brazil and Morocco were against the legitimization of Kosovo, which was supported by judges from the USA, Japan, Germany, France, Britain, Mexico, New Zealand, Sierra Leone, Somalia, Jordan. As it is mentioned in the published documents, the Chinese judge did not take part in this very important decision that seeks to change the borders in Balkans, opening up a "Pandora's box" for the instigation of other controversies related to national minorities, because of 'procedural matters'<sup>37</sup>. This was followed by the appeal of Albania to Peking to recognize the independence of Kosovo and to use its influence in the UN Security Council so that other member-states support its recognition.<sup>38</sup>

A third example is the visit of China's Prime minister, Wen Jiabao, to Greece in October 2010. In his speech to the Greek parliament, the Chinese Prime minister stated that China supports a stable Euro, because "we have the belief that a united

and strong Europe can play an irreplaceable role in the world's development" and added that he felt "joy when he saw Greece escaping from the shadow of its foreign debt, reducing its deficit and opening up prospects for its economic development."<sup>39</sup> In these two phrases the prime minister of China, and full member of the PB of the CC of the CP China, managed to summarize the support of his country's leadership for the European imperialist centre of the EU and for the social-democratic government of PASOK, which under the pretext of reducing the deficit is implementing a harsh anti-people programme in order to reduce the cost of labour power in Greece.

The Chinese leadership signed a raft of agreements with the Greek government, which will constitute a source of profits for certain sections of Greece's plutocracy and nothing more. The notorious Chinese investment of 5 billion is nothing more than a shot in the arm for Greek ship-owners which serves the shipbuilding industry of China, as well as its goal for further

penetration to the European market through Greece. The related construction, use and operation of ports and railway lines, as well as shipbuilding infrastructure by Chinese monopolies and certain Greek companies will sharpen uneven development at the expense of the needs of the people. The expansion and strengthening of the activity of capital in crucial infrastructure, in combination with anti-people policies, has led to even cheaper workers with reduced labour rights and wages. The olive oil exports will benefit only the big businessmen who control them and not the poor farmers, whose position is continually deteriorating. Nevertheless, this visit was utilized by the “social-democratic” PASOK government with the aim of making the popular strata believe that thanks to the Chinese investments (as well as those of Qatar, Israel etc) there will be development and consequently the GDP will increase and so will the crumbs which fall from the table of the capitalists to the people. In reality of course we are talking about the prospect of a capitalist exit from the crisis which will not reduce development in favour of big capital, nor the poverty and unemployment of the

people. We are talking about development which undermines the productive capabilities of our country and involves it in dangerous imperialist rivalries. In any case we certainly cannot speak about the “internationalist contribution” of China to the struggle of the Greek people.

Finally, the Communist Party of China may for the time being maintain its title as a “communist party”, nevertheless it is well known that it has developed close links with the Socialist International. In 2009 the CPC organized in Peking a joint seminar with the Socialist International, with the theme “a different development model, that of green economy”. In his speech there, the president of PASOK and the Socialist International, G. Papandreou expressed “the desire of the International to further enhance relations between the two sides, which is proved by today’s seminar”.<sup>40</sup> The question of “the wider cooperation within the framework of the Socialist International” was also discussed during the meeting between PASOK and the CPC in July 2010.<sup>41</sup>



In 2009 the book “China is not Happy”<sup>42</sup> which deals with China’s position in the world was released in China (-in three months it had sold 700,000 copies and many millions more afterwards). Amongst other things it notes:

“We are the most suitable people to undertake the world’s leadership”. Since, as it argues, China manages global natural resources more efficiently than any other country it should undertake global leadership. It is also noted that the Chinese army should defend the sovereignty of the country outside of its borders, direct to countries where China has “fundamental interests” and defend them<sup>43</sup>. That is to say it proposes the mobilization of the Chinese army in the places where Chinese capital is active. We should remind ourselves that China plays an active role in the so-called “war against piracy” (in the “Joint Statement”<sup>44</sup> signed between the Greek government and China during the recent visit of the Chinese Prime minister to Greece, the Greek government thanked China for the protection of Greek ships in Somali waters by the Chinese Navy), attempting to control important military international naval passages.

In the aforementioned books there is a discussion concerning the “need for living space” for China and it is pointed to the vast expanses of Siberia which “must be cultivated by the great Chinese people”.<sup>45</sup>

It goes without saying that such a book could not be released in China today without the approval of the CPC. For whoever doubts they only have to look at what the organ of the CC of the CPC, “People’s daily” wrote: “Apparently, China is ready to place the Russian Far East under its own fundamental influence, but in such a way so as not to alarm Moscow. The strength of this influence will not be based on a large scale influx of Chinese settlers, but the sudden “chinisation” of Russians... One fine day there will be a serious crisis and in the face of the weakened political and military influence of Moscow, these Russians may turn to Peking and not to their own government. In such hypothetical situation the Russian Far East could become a province of China.”<sup>46</sup>

In line with the above we should remind ourselves that at the beginning of August 2010 the

representative of the Ministry of Defense of Vietnam, Nguen Fwong Nga, made the following statement: “Vietnam demands that China immediately cease its violations of Vietnam’s Sovereignty”<sup>47</sup>. In the South China Sea where there are energy deposits, there have emerged “grey zones” and regions of disputed sovereignty. Of course, within the framework of competition emerge both “axes” of cooperation and “anti-axes”. So we can see that the Prime minister of Italy, Berlusconi, who habitually refers to every political opponent with the grave accusation of .... “communist”, has no problem in lighting up the Colosseum in Rome with “communist” red colour in honour of the Chinese Prime minister who visited the “Eternal city” aiming at doubling trade between the two countries to 100 billion dollars by the year 2015, as well as at the “development of ports and other investments”, as they are seeking a strategic “gateway” into Europe.<sup>48</sup>

## **Cooperation with Russia, India, Brazil in order to change the balance of forces in the International Organizations**

In recent years China has developed coordination and cooperation with states which seek to upgrade their international position (Brazil, Russia, India ), known as BRIC, as well as partnerships-alliances in regional unions, such as the Shanghai Cooperation Organization (together with Russia and the Central Asian former Soviet Republics). Can these alliances and partnerships be considered to be a blow against the “unipolar world” of the USA?

First of all we must make it clear that a “unipolar world” does not and has never existed. There has always existed a differentiation within the international imperialist system, with the USA acquiring first place in the immediate post-war period and leading the struggle against socialism, in which the USSR played the leading role. The struggle between NATO-OECD and the Warsaw Pact- Council of Mutual Economic Assistance

was a class struggle. After the overthrow of Soviet power and the dissolution of the USSR inter-imperialist contradictions intensified- due to its strength the USA played the leading role in these. At the same time, because of uneven capitalist development, new rising imperialist powers emerged alongside the USA, the EU and Japan, seeking to acquire a share of the raw materials, their transport routes and the markets. This is presented today by the bourgeois media and analysts as a “multi-polar world” and as the end of the “uni-polar world”. The unevenness of the outbreak of the capitalist crisis during this accelerates upheavals in the correlation of capitalist forces, but this does not make our world a more peaceful or safer place. As long as the contradiction between capital-labour is not resolved at a national, regional and global level, as long as the new rising powers are driven by capitals desire for new markets and raw materials, we will not have radical changes. The states that are gaining ground in the international imperialist system cannot play the role which the USSR played in the past, because they operate on the basis of additional profit for their own

monopolies. This is true for China and cannot be denied just because it uses a red flag and the ruling party has the title “communist”.

In addition, when we focus on the cooperation of BRIC countries or those of the “Shanghai Cooperation Organization” or the coordination which the Foreign ministers of China, India and Russia have achieved, we should not forget that this is only one aspect of imperialist reality. Behind this there is the aspect of tough rivalries and contradictions between these powers e.g. Between Russia and China over the energy resources of Central Asia or Chinese ambition in the Russian Far East etc. The same is true for the relations between China and India, where aside from the unresolved border question (e.g. in August of 2010 India sent two divisions to the state of Arunachal Pradesh in order to reinforce its border with China<sup>49</sup>), there is also a fierce competition for hegemony in the region of Eastern Asia. It is characteristic that, as is well-known, India’s Ministry of Defense held in 2009 and 2010 repeated meetings concerning the modernization of the Chinese armed forces,

setting corresponding goals for the armed forces of India<sup>50</sup>.

The trend of altering the relations with the USA is developing also within the states of Latin America, with Brazil being in the forefront. Thus, these states seek to strengthen their relations with China, Russia, India and the EU. Competition and cooperation coexist in the imperialist world, where the interdependence and forging of alliances go hand in hand with rivalries and counter-alliances.

At the same time, all those who consider that China is a “brake” on the “unipolarity” of the USA, ignore the fact that China in 2001 publicly supported the so-called “war on terrorism” and the UN Security Council Resolution 1373/2001, which institutionalized imperialist aggression under the pretext of “terrorism”. Of course the international communist movement moved in an entirely different direction, when at the International Meeting of the Communist and Workers’ parties in 2002 ( with 62 CPs) it noted

that “the events of September 11th also constituted an alibi to launch an unprecedented offensive against the freedoms and rights of the peoples on the pretext of declaring war on terrorism. Imperialists label as terrorist every resistance movement which struggles against capitalist globalization and the decisions against the interest of the people taken by international organizations (such as IMF, World Bank, WTO, EU, etc.), anti-imperialist movements which struggle against imperialist interventions and wars and against NATO, as well any social and national liberation movement and struggles against dictatorship and fascist regimes.”<sup>51</sup>

## **THE ALLIANCE OF CHINA WITH “DEVELOPING” COUNTRIES**

On 10<sup>th</sup> July 1986 China officially expressed its desire to join GATT (General Agreement on Trade and Tariffs) and on 11<sup>th</sup> December 2001 it became the 143<sup>rd</sup> member of the World Trade Organization (WTO), which constituted the continuation of GATT.



Within the WTO, China highlighted secondary contradictions which exist in the global imperialist system. In his report to the 16<sup>th</sup> Congress of the CP of China, Jiang Zemin spoke of the “difference in development between the North and South”, as well as of the “pressure of economic, scientific-technical and other supremacy from the developed countries”<sup>52</sup>. According to certain estimations China constantly seeks to be presented as a representative and leader of the developing countries.<sup>53</sup>

Despite the enhancement of China’s international position economically, the leadership of China insists on presenting it as a “developing country”<sup>54</sup>. This claim is based on three arguments a) in 2008 GDP per capita in China was only 3,300 dollars, the 104<sup>th</sup> in the world. B) Of the 1,3 billion people in China, more than 700 million are farmers. C) Industry, Agriculture and the service sector in China constitute 49%, 11% and 40% respectively of the GDP; while in other countries with a higher level of capitalist development, industry and agriculture have lower percentages. In 2009 GDP increased by 9.5% in

industry, by 8.4% in services and only by 4.2% in agriculture.

The rankings of the UN and the OECD are problematic and do not reflect the reality of China; likewise the labelling of China as a “developing country” by its leadership. These phenomena of a “developing” capitalist economy are due to the deep unevenness between the eastern and western part of the country. A more accurate picture would be given by relevant data concerning the eastern part of the country<sup>55</sup>. And of course what is true for capitalism in general applies also for the developed eastern section: The concentration of the means of production in a few hands and the increase of social inequality.

From this standpoint the alliance of China with other powers (e.g. India) with similar uneven capitalist development does not place in the same position as very backward societies in Asia and Africa. Nevertheless in the name of “backwardness” “patriotic dreams” are created, which are utilised in the effort to entrap the labour

movement, the CPs, other radical forces, which are invited to forget for the present the class struggle and the need to build another society and devote themselves to the job of “strengthening the international position of their countries”. The pursuit for “national development” is often combined with a selective “anti-imperialism”, which concentrates its fire only on the USA, which it characterizes as an “empire”, and possibly on some of the powerful states from Western Europe. The theory of the so-called “golden billion” (the 30 most developed countries which belong to the OECD) operates within this logic, which promotes as the basic defining criterion the per capita consumption of various goods per country.

At the same time, those who focus excessively on the distinction between developed and developing countries, forget that even in the richest capitalist countries, like the USA, there exist phenomena of mass deprivation and poverty amongst the popular strata. Also there exist phenomena of massive enrichment in the poorest countries, maybe even

in a more blatant way than in the so-called developed countries.

Since the analysis of Marx holds true that “*The more productive one country is relative to another in the world market, the higher will be its wages as compared with the other. In England, not only nominal wages but [also] real wages are higher than on the continent. The worker eats more meat; he satisfies more needs. This, however, only applies to the industrial worker and not the agricultural labourer. But in proportion to the productivity of the English workers their wages are not higher (than the wages paid in other countries)*”.<sup>56</sup>

If communists forces give up on the slogan of internationalist proletarian solidarity and support the idea of the separation of the world into “North-South” or the idea of the “golden billion”, they will easily fall into the trap of “unity” with the so-called “nationally oriented capital”, that is to say with the bourgeois class of their countries (or with a section of it), which seeks a better

position within the global capitalist system for itself. In that case, as communists, they will have consciously or unconsciously revised the central Leninist thesis concerning “imperialism, the highest stage of capitalism”, which refers to the entire reactionary era of capitalism, and consequently to every capitalist society, whatever their strength in the global market. For that reason, this is one more issue where the stance of China, which seeks to present itself as the leader of the “developing” countries”, contributes to this disorientation and to the creation of confusion within the international communist movement, since the leader of this effort is a large country which is governed by a party which bears the title “communist”.

## **THE SO-CALLED INEVITABLE “OPENING UP” TO THE GLOBAL MARKET**

The CPC and other forces as well promoted the gradual strengthening of capitalist relations of production as participation in globalization: “today in the increasingly globalised world China cannot develop in isolation from the rest of the

world, nor can the world ignore China in the process of achieving prosperity.”<sup>57</sup> But the “global market” is not something neutral, a market in which there is a mutual exchange of products between capitalist and socialist production. The phenomenon of so-called “globalization”, in the name of which the wage-level in advanced capitalism is under attack today, is not new. Indeed in the “Communist Manifesto” there are references to the “global market”: *“The bourgeoisie has through its exploitation of the world market given a cosmopolitan character to production and consumption in every country. To the great chagrin of Reactionists, it has drawn from under the feet of industry the national ground on which it stood. All old-established national industries have been destroyed or are daily being destroyed. They are dislodged by new industries, whose introduction becomes a life and death question for all civilized nations, by industries that no longer work up indigenous raw material, but raw material drawn from the remotest zones; industries whose products are consumed, not only at home, but in every quarter of the globe. In place of the old wants, satisfied by*

*the production of the country, we find new wants, requiring for their satisfaction the products of distant lands and climes. In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal inter-dependence of nations. And as in material, so also in intellectual production. The intellectual creations of individual nations become common property. National one-sidedness and narrow-mindedness become more and more impossible, and from the numerous national and local literatures, there arises a world literature.”<sup>58</sup>*

Can the “participation of China” in the international market be considered to be a compulsory exchange of commodities between different economies which is forced to do due to the international correlation of forces? No, because we are talking about the export of capital, which is being accumulated in China through capitalist relations of production.

It is well-known that socialist construction in the USSR was based above all on the socialization of

the concentrated means of production, on central planning and corresponding economic measures in its international economic relations, like the state monopoly of foreign trade, which was established in April of 1918.

Even under the conditions of the NEP (which some like to invoke when referring to contemporary China) the state monopoly became even more important as a bulwark against the increasing capitalist tendencies. Lenin, in his controversy with Bukharin, defended the importance of having a monopoly in foreign trade. And Stalin later noted the necessity for “*the economy to be planned in order to safeguard the independence of the people’s economy, so that our economy is not transformed into an appendage of the capitalist economy. It depends on us not to become an appendage of the capitalist economy.*”<sup>59</sup>

Stalin in his closing speech to the 7<sup>th</sup> plenary session of the Executive Committee of the Communist International on 13<sup>th</sup> December 1926 demolished the myth that the USSR was



“dependent” on the global capitalist market because it had economic relations with capitalist countries. He noted the interdependence which existed in these relations and stressed that this type of interdependence is different from the assimilation of a country’s economy within the framework of the global capitalist economy.<sup>60</sup> Namely, non-assimilation requires central planning, a state monopoly in foreign trade, in the banking system and the socialization of industry. The reality in China is entirely different from that of the USSR during the NEP. In China:

- a. There is no monopoly in foreign trade. Thousands of foreign companies that operate in China cover the largest proportion of the Chinese exports, which of course are dependent on their plans, based on their profitability and not on a centrally planned economy.
- b. 440 private foreign banks operate in China, and they have acquired at least 10% of the shares of the Chinese state banks and since 2005 there has developed a domestic private banking sector.<sup>61</sup>

- c. An important percentage of industry is private or privatized (in the form of stock companies), while the private sector is estimated to produce 70% of the GDP.
- d. Chinese legislation, especially in the economic and commercial sector, is fully harmonized, thanks to the assistance of the WTO, to the norms of the global capitalist economy.

## **Epilogue**

In conclusion, the dominance of capitalist relations in China, which is a fact today, slowly or quickly, will lead to a bigger compliance of the political system, the dominant ideology and all the elements of the superstructure whose capitalist character will be reflected in its symbols. The intensification of class contradictions will ripen and so will the need for the revolutionary labour movement to be represented by its own party against capitalist power.

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