

STATE CAPITALISM TODAY

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The concept of state capitalism is associated by many on the left with past debates about Russia. The argument as to whether Russia or the Soviet Union was communist, socialist, a degenerated workers' state, some kind of bureaucratic collectivism, or state capitalist is often held up as a typical example of far-left sectarian squabbling over obscure issues of terminology, and therefore as an issue which, now that the Soviet Union is no more, we should all set aside and move on from.

However, I want to suggest that that there is much more at stake in the question of state capitalism than what label should be attached to Russia or other "communist" countries. Rather, the issue goes to the heart of our understanding of: a) the nature of capitalism; b) the Marxist critique of capitalism; and c) the essence of socialism. In this article I intend to discuss the whole matter without reference to the Soviet Union or that episode in history, important as it was, but *with* reference to current debates about capitalism, China, current geo-political conflicts, and ecosocialism.

Let's start by going back to basics.

Capitalism and private property

It has long been widely assumed—in the academic world, on much of the left, and in general public discourse—that capitalism is essentially defined as a system based on private ownership of the means of production. If you google "capitalism: definition" or "the meaning of capitalism," the following appears:

An economic and political system in which a country's trade and industry are controlled by private owners for profit, rather than by the state.

Merriam-Webster offers the following definition:

An economic system characterized by private or corporate ownership of capital goods, by investments that are determined by private decision, and by prices, production, and the distribution of goods that are determined mainly by competition in a free market.¹

The Concise Oxford Dictionary (1976) says:

Capitalism, n.: Possession of capital or wealth; system in which private capital or wealth is used in production and distribution of goods

And Wikipedia begins its entry:

Capitalism is an economic system based on the private ownership of the means of production and their operation for profit.²

The Cambridge Online dictionary concurs:

An economic, political, and social system in which property, business, and industry are privately owned, and a social system in which property, business and industry are privately owned, directed towards making the greatest possible profits for successful organisations and people.³

In the face of such unanimity, who can argue? Surely the proposition is simply a matter of fact or else true "by definition." Except that private ownership of the means of production cannot, in itself, be the defining characteristic of capitalism for the simple reason that it has existed in numerous non- and pre-capitalist societies. Thus, in Ancient Greece and Ancient Rome the two main means of production were land and unfree labour (slaves), and both were privately owned. In European feudalism in the early Middle Ages, all the land of the kingdom was, "theoretically," the

private property of the king, and in practice most of it was the private property of the landed aristocracy and the church.

On the other hand, more or less every capitalist economy has contained some degree of state ownership of the forces of production, and in many instances that degree has been very substantial. Thus, in Germany the railways were nationalised after WW1, and during the Weimar Republic large sections of mining, banking, and shipping were taken into public ownership. In France there was a big wave of nationalisations after WW2, including the railways, Renault, the electricity and gas industries, and Credit Lyonnais and other banks. While in the UK after the War, nationalised industries included the railways, London Transport, the BBC, British Airways, British Coal, British Steel, the Bank of England, British Gas, and the Post Office.

The emergence of capitalism as the dominant economic system in the world occurred over several centuries, essentially from the fifteenth to the nineteenth century. What this centrally involved was not the establishment of private property but three connected processes: the spread of commodity production (i.e. production for sale on the market rather than consumption by the producers); the transformation of labour power into a commodity (i.e. the spread of wage labour and the development of the modern working class or proletariat); the winning of state power by the bourgeoisie in a series of revolutions (the Dutch, the English, the American, the French, etc.) and the transformation of the state into an instrument of bourgeois class rule. The spread of capitalism globally occurred primarily through imperialism or the pressure exerted by imperialism, in which the state played a crucial role, militarily, politically, and economically. If capitalism in the dominant Western countries tended, as a broad generalisation, to favour laissez-faire and free trade, in countries of belated capitalist development, such as

Japan or the so-called Asian Tigers, the state tended to play a larger, more active economic role.

The overall outcome of this is that capitalism exists as a global system of competitive capital accumulation in which competition rages both between giant multinational corporations (usually closely linked to particular states) and between capitalist states themselves, as in USA v China v France v Japan, etc. Hence the idea that capitalism, either in the past or today, can be seen as simply a system of private ownership, or that states and state-owned industries can be seen as somehow separate from or outside capitalism or as a non-capitalist sector in the economy, is completely unsustainable. Moreover, there is now abundant evidence that nationalised industries owned and run by capitalist states operate fundamentally on the same principles of profit and loss and exploitation of their workers as private capitalist businesses: Aer Lingus, ESB, Iarnród Éireann, and Bus Éireann are examples of this in Ireland, but other examples could be provided from around the world.

The Marxist critique of capitalism

Marx was of course against private ownership and control of production, and wanted to replace it by social ownership (of which more later), but this does not at all mean that his critique of capitalism can be reduced to a critique of private ownership.

Marx's starting point in his critique was a profound analysis of alienation (in the *Economic and Philosophic Manuscripts of 1844*⁴) which showed how alienated labour (labour that is sold, i.e. wage labour) estranges humans from the products of their labour, from themselves, from their fellow human beings, and from nature. This was combined with a critique of the bureaucratic state in his *Critique of Hegel's Philosophy of Right*,⁵ which rejected the idea of the state as representing society as a whole. Marx developed his analysis of alienated labour into an analysis of exploitation which showed how capitalism was based on the extraction of surplus value (profit)

from workers' labour, first clearly formulated in 1847 in *Wage Labour and Capital*⁶ and later developed in *Capital*, and a historical theory of class struggle between exploiter and exploited, oppressor and oppressed, set out in *The Communist Manifesto*, which culminates in the struggle between bourgeoisie and proletariat and, it was to be hoped, the victory of the proletariat, thus establishing a society where accumulated or dead labour serves living labour rather than vice versa and all class divisions are overcome. To depict this total critique and vision of human liberation as essentially an argument about state ownership versus private ownership is to narrow it and falsify it.

Moreover, Marx's critical analysis of capitalist production contains an important strand, the law of the concentration and centralisation of capital, which underpins the tendency within capitalism for the state to take over more and more means of production. Competition between capitalists means, says Marx, that "one capitalist always kills many."⁷ Capital accumulation means the "concentration of capitals already formed, destruction of their individual independence, expropriation of capitalist by capitalist, transformation of many small into few large capitals."⁸ Thus, free market capitalism, by its own laws, becomes transformed into monopoly capitalism with the concentration of ever larger amounts of capital and production in the hands of ever fewer and larger companies. This tendency has been empirically confirmed by the development of capitalism over the last 150 years, and can be visibly observed today in the domination of global oil, gas, steel, and car production, of banking, retail, computing, and social media, by handfuls of giant corporations that have become household names—BP, Shell, Mittal, Toyota, Goldman Sachs, WallMart, Amazon, Google, etc.

Theoretically, Marx speculates, the limit of this centralisation would be 'when the entire social capital was united in the hands of either a single capitalist or a single capitalist company,'⁹ but in practice what is

more likely is that increasing spheres of production are taken over by the state. This development was explored and predicted by Engels in his famous work *Socialism: Utopian or Scientific*. Engels comments on the rise in the nineteenth century of joint-stock companies and trusts, and then continues:

In any case, with trusts or without, *the official representative of capitalist society—the state*—will ultimately have to undertake the direction of production. This necessity for conversion into State property is felt first in the great institutions for intercourse and communication—the post office, the telegraphs, the railways...

But, the transformation—either into joint-stock companies and trusts, or into State-ownership—*does not do away with the capitalistic nature of the productive forces*. In the joint-stock companies and trusts, this is obvious. And the modern State, again, is only the organization that bourgeois society takes on in order to support the external conditions of the capitalist mode of production against the encroachments as well of the workers as of individual capitalists. *The modern state, no matter what its form, is essentially a capitalist machine—the state of the capitalists, the ideal personification of the total national capital. The more it proceeds to the taking over of productive forces, the more does it actually become the national capitalist, the more citizens does it exploit. The workers remain wage-workers—proletarians. The capitalist relation is not done away with. It is, rather, brought to a head.*¹⁰ [My emphasis – JM]

Nor was it just Engels who wrote on these lines. There was extensive discussion within the Marxist movement of tendencies towards state capitalism, particularly in conjunction with imperialism, long prior to the advent of Stalinist Russia: Connolly (as we shall see), Lenin, and Bukharin, among others, all used the term in various ways. This discussion cannot be reviewed here, but it is worth noting the contribution of Bukharin, who, in his study of imperialism in 1915,

identified two contradictory tendencies in the development of capitalism: a tendency towards internationalisation (it would be called globalisation now) and a tendency towards statification. On one thing Bukharin, who was close to Lenin, was emphatic: the state takeover of productive forces (“nationalisation”) in no way altered the capitalist nature of either the productive relations or the state. He wrote:

With the growth of the importance of state power, its inner structure also changes. The state becomes more than ever before an “executive committee of the ruling classes”....Being a very large shareholder in the state capitalist trust, the modern state is the highest and all-embracing organisational culmination of the latter.¹¹

In response to then-fashionable talk of “state socialism” and “war socialism” regarding the state’s takeover of industries during World War I, Bukharin replied:

What is that picture of present-day "State Socialism" which appears to be a "change in principle"? From the foregoing analysis the answer seems to follow with irresistible logic: We have here the process of accelerated centralisation within the framework of a state capitalist trust, which has developed to the highest form, not of State Socialism, but of State Capitalism. By no means do we see here a new structure of production, i.e., a change in the interrelation of classes; on the contrary, we have here an increase in the potency of the power of a class that owns the means of production in quantities hitherto unheard of. To apply to such a state of affairs a terminology fit for post-capitalist relations, is not only very risky, but also highly absurd. "War Socialism" and "State Socialism" are purposely being circulated with the direct intention of misleading the people and of covering up by a "good" word a very

ungainly content. The capitalist mode of production is based on a monopoly of the means of production in the hands of the class of capitalists within the general framework of commodity exchange. There is no difference in principle whatsoever whether the state power is a direct expression of this monopoly or whether the monopoly is "privately" organised. In either case there remains commodity economy (in the first place the world market) and, what is more important, the class relations between the proletariat and the bourgeoisie.

It follows from the above that (as far as capitalism will retain its foothold) the future belongs to economic forms that are close to state capitalism.¹²

There remains one argument which appears both within and outside Marxist circles against even the theoretical possibility of a thoroughgoing state capitalist society. It is that whatever about the nature of nationalised industries within a predominantly private capitalist country, the moment the state sector becomes dominant or total there is a qualitative shift: the economic laws of capitalism no longer apply and the society ceases to be capitalist. This argument was neatly summarised by James Burnham in his important book *The Managerial Revolution*.

The term “state capitalism” seems to be due to a misunderstanding....When the state owns only a part, and a minor part, of the economy, with the rest of the economy remaining capitalist private enterprise, we might correctly speak of “state capitalism” in connection with that minor state-owned part: since, as we have seen, the economy remains in its balance capitalist and even the state-owned part may be directed primarily to the benefit of the capitalist part. But the “capitalism” in “state capitalism” is derived not from the state-controlled part. When the latter disappears, or becomes negligible, then the capitalism has disappeared. There is no paradox in saying that 10 times 10% state capitalism, far from equalling 100% capitalism, equals 0% capitalism. The

multiplication is of *state*, not of *capitalism*. Though the mathematics would be much more complex, it would be nearer an analogy to say that, just as 10% *state* capitalist economy equals only 90% *capitalist* economy, so 100% (or even 80% or 70%) *state* economy would have eliminated capitalism altogether.¹³

This objection might be valid if the statification were in a single, global, state-run economy, because then the competition between capitals which generates and enforces the drive to maximise profit and accumulate capital, which is the central dynamic of capitalism, would be absent. However, if, *as is actually case*, the process of statification is accomplished in one or several separate countries which remain in economic and therefore also geo-political and military competition with other states and economies within the world market, the principle features of capitalism—the exploitation of workers to maximise profit, competitive capital accumulation and compulsion to grow, and production for profit rather than human need—will continue.

Socialism, the state and the working class

Having rejected the view that capitalism can be defined essentially as a system of private property, I want now to turn to the idea that state ownership is the essential characteristic of socialism. The equation of state ownership with socialism is even weaker than the equation of private property with capitalism.

Just as there were many pre-capitalist societies founded on private property, and many capitalist societies which included a large measure of state ownership, so there were numerous manifestly non-socialist societies based largely on state or collective property. These include various instances of what Marx called “the Asiatic mode of production” and what Karl Wittfogel called “Oriental Despotism,” such as Moghul India and imperial China, along with Pharaonic Egypt, Mamluk Egypt in the Middle Ages, and the Aztec and Incan empires.¹⁴

For Marx and Engels and all revolutionary socialists before the advent of Stalinism, socialism was first and foremost the self emancipation of the working class. The idea that state ownership separate from working-class emancipation constituted socialism was ruthlessly mocked by Engels. He writes:

But of late, since Bismarck went in for State-ownership of industrial establishments, a kind of spurious Socialism has arisen, degenerating, now and again, into something of flunkysism, that without more ado declares *all* State-ownership, even of the Bismarkian sort, to be socialistic. Certainly, if the taking over by the State of the tobacco industry is socialistic, then Napoleon and Metternich must be numbered among the founders of Socialism.

If the Belgian State, for quite ordinary political and financial reasons, itself constructed its chief railway lines; if Bismarck, not under any economic compulsion, took over for the State the chief Prussian lines, simply to be the better able to have them in hand in case of war, to bring up the railway employees as voting cattle for the Government, and especially to create for himself a new source of income independent of parliamentary votes—this was, in no sense, a socialistic measure, directly or indirectly, consciously or unconsciously. Otherwise, the Royal Maritime Company, the Royal porcelain manufacture, and even the regimental tailor of the army would also be socialistic institutions, or even, as was seriously proposed by a sly dog in Frederick William III's reign, the taking over by the State of the brothels.¹⁵

Similarly, James Connolly in 1899 argued:

One of the most significant signs of our times is the readiness with which our struggling middle class turns to schemes of State or Municipal ownership and control, for relief from the economic pressure under which it is struggling. Thus we find in England demands for the nationalisation of the telephone system, for the

extension of municipal enterprise in the use of electricity, for the extension of the parcel system in the Post Office, for the nationalisation of railways and canals. In Ireland we have our middle class reformers demanding state help for agriculture, state purchase of lands, arterial draining, state construction of docks, piers and harbours, state aid for the fishing industry, state control of the relations between agricultural tenant and landlord, and also nationalisation of railways and canals. There is a certain section of Socialists, chiefly in England, who never tire of hailing all such demands for state activity as a sign of the growth of the Socialist spirit among the middle class, and therefore worthy of all the support the working-class democracy can give.

But all this notwithstanding, we would, without undue desire to carp or cavil, point out that to call such demands “Socialistic” is in the highest degree misleading. Socialism properly implies above all things the co-operative control by the workers of the machinery of production; without this co-operative control the public ownership by the State is not Socialism—it is only State capitalism.

Therefore, we repeat, state ownership and control is not necessarily Socialism—if it were, then the Army, the Navy, the Police, the Judges, the Gaolers, the Informers, and the Hangmen, all would all be Socialist functionaries, as they are State officials—but the ownership by the State of all the land and materials for labour, combined with the co-operative control by the workers of such land and materials, would be Socialism

To the cry of the middle class reformers, “make this or that the property of the government,” we reply, “yes, in proportion as the workers are ready to make the government their property.”¹⁶

This is entirely consistent with the way in which Marx and Engels always posed the abolition of capitalism and the transition to socialism. In *The German Ideology* they state, “Communism is for us not a state

of affairs which is to be established, an ideal to which reality [will] have to adjust itself. We call communism the real movement [i.e. the movement of the proletariat – JM] which abolishes the present state of things.”¹⁷ In *The Poverty of Philosophy*, “Just as the economists are the scientific representatives of the bourgeois class, so the Socialists and Communists are the theoreticians of the proletarian class [not of state property – JM].”¹⁸ In *The Principles of Communism*, Engels makes the first principle “Communism is the doctrine of the conditions of the liberation of the proletariat.”¹⁹ *The Communist Manifesto* begins with an account of the class struggle between the bourgeoisie and the proletariat which will culminate, Marx and Engels say, in the downfall of the bourgeoisie and the victory of the proletariat. Then they continue:

We have seen above, that the first step in the revolution by the working class is to raise the proletariat to the position of ruling class to win the battle of democracy.

The proletariat will use its political supremacy to wrest, by degree, all capital from the bourgeoisie, to centralise all instruments of production in the hands of the State, *i.e.*, of the proletariat organised as the ruling class; and to increase the total productive forces as rapidly as possible.²⁰

And in *Socialism: Utopian and Scientific*, Engels writes:

Whilst the capitalist mode of production more and more completely transforms the great majority of the population into proletarians, it creates the power which, under penalty of its own destruction, is forced to accomplish this revolution. Whilst it forces on more and more of the transformation of the vast means of production, already socialized, into State property, it shows itself the way to accomplishing this revolution. *The proletariat seizes political power and turns the means of production into State property.*²¹ [Emphasis in the original]

In all of these formulations, and in Marxism as a whole, it is the proletariat or working class that is the driving force, the key element, the subject of the historical process. The proletariat wins state power and establishes state ownership of the means of production, not the other way round; state ownership is established and this raises up the proletariat. Socialism is not a blueprint for a planned economy based on state ownership drawn up by advanced theorists who enlist the proletariat (or some other social force) to help set it up; it is the form of society the proletariat must establish in the process of liberating itself.²²

Yes, the proletariat requires a state and state ownership in order to take possession and control of the main means of production; it cannot do this as individuals or workplace by workplace. This a key point of difference between Marxism and anarchism.²³ But this state *is not* the existing capitalist state taken over by the proletariat, For Marx this was the key lesson from the experience of the Paris Commune. “One thing especially was proved by the Commune, viz. that ‘the working class cannot simply lay hold of the ready-made state machinery and wield it for its own purposes.’”²⁴ Instead, the capitalist state must be dismantled and replaced by “the proletariat organised as the ruling class,” which Marx called “the dictatorship of the proletariat.”²⁵

In short, for Marx and Engels and for James Connolly (and the same was true of Rosa Luxemburg, Lenin, Bukharin, Trotsky, Lukacs, Gramsci, and all the revolutionary socialists prior to Stalinism), there could be no socialism without the leading role of the working class.

Relevance today

The concept of state capitalism has vital strategic relevance for the whole socialist movement internationally. If the abolition of capitalism and the establishment of socialism can be realised simply through state ownership, then there is no necessity for working-class revolution. On the contrary, capitalism

can be overcome and socialism instituted by a variety of means. It can be achieved by the gradual extension of public ownership by a social democratic or reformist government through parliamentary legislation. For many decades this was the central strategic goal of the mainstream of social democracy,²⁶ and after it was increasingly abandoned in favour of neoliberalism, it remained the defining aim of left reformists such as Tony Benn and Jeremy Corbyn. Substantial statification can also be realised by “modernising” nationalist military (or military-linked) political forces, such as Nasser in Egypt, or even imposed from above by a foreign army, as was done by the Russian army in much of Eastern Europe at the end of World War II.

Of course, there will be times when revolutionary socialists will call for the formation of a left government committed to major reforms, including nationalisation, and will support such a government against the right. Here an understanding of the concept of state capitalism is important because it reinforces the point that such a left government is only a stepping stone towards workers’ power and socialism, not in itself the actual inauguration of socialism.

There will also be many occasions when socialists demand the nationalisation of particular companies or industrial sectors, particularly when they are claiming bankruptcy and throwing their workforce on the dole. Again, the concept of state capitalism is a useful reminder that such nationalisation is only a reform—revolutionaries do fight for reforms—within capitalism and that nationalised firms and industries remain capitalist (i.e., they continue to operate with capitalist relations of production, and class struggle continues within them). This is important because certain types of reformist trade union leaders will try use the status of nationalisation as an argument for holding back workers’ struggle in these sectors.

Another question, growing more important by the day, where the concept of state capitalism is vital, is China. Four decades of spectacular economic growth have raised China into the world’s largest economy and

made it the principal economic, political, and military rival to the United States and its informal empire.²⁷ The US has responded as empires always do when faced with an emergent challenger (much as Britain responded to the rise of Germany in the late nineteenth/early twentieth century). Since Obama's "pivot to Asia" in 2012, it has been shifting its foreign policy and military focus from the Middle East to South East Asia. Now with Biden and the recent AUKUS deal,²⁸ the concentration on China is intensifying to the point where some commentators, such as John Bellamy Foster of the *Monthly Review*, are speaking of a new cold war.²⁹

This development lays a potential trap for the left, summed up in the phrase "My enemy's enemy is my friend." Since the US and its allies are lining up against China, and we know they are imperialist liars and robbers, there must be something good about China. This is a very dangerous "principle" for socialists. For example, the fact that in 1914 all the propagandists of the British Empire denounced the Kaiser's Germany for its brutal militarism and expansionism did not mean it wasn't brutal, militarist, and expansionist—it most certainly was—ask Rosa Luxemburg! I shall return to this later, but in the instance of China this kind of reaction can be reinforced and given a spurious Marxist gloss by arguing that China is not fully capitalist, or is even partly socialist, and not imperialist because of the size of its state sector and the key role of the state in directing the national economy. In this vein, John Bellamy Foster writes:

Even more important than external geopolitical relations in determining China's future is the internal legacy of the Chinese revolution. The CCP retains strong support from the Chinese population. Moreover, despite the development of the various integuments of capital in China, a number of key strategic-economic variables, related to socialism, free it in part from the "antagonistic centrifugality" that accounts for capitalism's "uncontrollability" as a system of social metabolic reproduction.³¹ The

noncapitalist sector of the Chinese economy includes not just a large sector of state ownership, but also both state control of finance through state-owned banks and the continuing absence of the private ownership of land.

Substantial state ownership of basic infrastructure and finance has allowed for the continuation of economic planning in key areas, associated with a much higher rate of investment.³⁰

This kind of analysis misses a number of significant facts

1. The Chinese Revolution of 1949, which established the rule of the Chinese Communist Party, was not in any shape or form a workers' revolution. It was brought about by a military conquest of the cities from the countryside by Mao's peasant-based People's Liberation Army. The working class did not intervene in any active way in this process, and at no point was there workers' power, workers' control of industry, or workers democracy (or any kind of democracy) under the Maoist regime.³¹
2. Deng Xiaoping's reforms from 1978 onwards, which for those who identify socialism with state ownership would be seen as a key counterrevolutionary moment, were accomplished without resistance from below and without substantial structural change in the Chinese state.³²
3. The Chinese economy is highly integrated into the capitalist world economy. China is the largest US merchandise trading partner, the biggest source of imports, and the third-largest US export market. China is also the largest foreign holder of US Treasury securities, which help fund the federal debt and keep US interest rates low. In addition, China's stock markets are some of the largest in the world, with total market capitalisation reaching RMB 79 trillion (US\$12.2 trillion) in 2020.

4. China has a broad, well-established and very rich bourgeoisie. According to Credit Suisse estimates, the number of dollar-millionaires residing in China totalled 5.3 million individuals, ranking second after the United States in the world.³³ Within this, China has a very large number of super-rich. According to one estimate, China now has the largest number of billionaires, 1058, of any country in the world.³⁴ Possibly more accurate is Forbes' ranking of China as still being in second place to the US, with 698 to 724, but Forbes also comments that Beijing has added 33 billionaires in the last year and now hosts 100, beating by one New York City for the title of city with most billionaires.³⁵
5. This bourgeoisie presides over a highly unequal society. According to the World Bank, China's Gini coefficient (the standard measure of income inequality in which 100 equals maximum inequality) stands at 38.5—more unequal than Ireland (32.8) and the UK (34.8), but slightly less unequal than the US (41.5).³⁶ Most importantly, China has a massive, highly exploited working class with very poor conditions of work and no proper trade union rights but a considerable record of struggle.³⁷

In addition to this straightforward evidence demonstrating the capitalist nature of China, there is the fact that the Chinese regime is extremely authoritarian, brutal, and repressive. Amnesty International reported in 2020 that “*China remained the world's leading executioner—but the true extent of the use of the death penalty in China is unknown as this data is classified as a state secret,*”³⁸ and has also estimated that China carries out more executions than all other countries combined. Then there is the long-standing repression of Tibetans, Tiananmen Square dissidents, Uyghurs, and other Muslims³⁹ and Hong Kong protestors. The idea that China is somehow

semi-socialist leads both to a tendency to minimise this brutality and to the association of socialists with it. An understanding that China is not, and has not been, in any way socialist, but is rather state capitalist, cuts through this apologetics.

Painting China red is also an example—the most important example—of a tendency on the left known as “campism.” This is the idea that the essential division in the world is between two camps of countries: an imperialist camp headed by the US (and including its allies) and an anti-imperialist camp who oppose US hegemony. In this view, the job of the left is to solidarise with the anti-imperialist camp and not be too critical of its leaders, and certainly not to work for the overthrow of any of these allegedly anti-imperialist regimes—an activity seen as objectively (and probably subjectively) siding with US imperialism. Which regimes are considered part of this “progressive” camp varies with the current focus of US policy and the current alignment of said regimes. Thus, at different times it has included Syria, Venezuela, Libya, Cuba, Iraq, Ukraine, Putin's Russia, Belarus, and others. Along with engaging in anti-US rhetoric, having a substantial state sector is commonly regarded as a significant qualifying characteristic for membership of the “anti-imperialist” camp.

Two major difficulties with this approach are: a) that it takes anti-imperialist rhetoric at face value when in reality it is entirely opportunistic and not matched with actions or, worse, is combined with imperialist and sub-imperialist deeds—Syria and Russia are a case in point;⁴⁰ b) that it ignores the class struggle within the so-called anti-imperialist camp and denies the masses in these countries any right to rebel or resist their oppression. Assad, Gaddafi, and Maduro are not representatives or benefactors of the Syrian, Libyan, and Venezuelan working classes. Again, the concept of state capitalism safeguards against these dangers.

Finally there is the question of the environmental and climate crisis—the overarching global issue of our time and of the decades to come. When Marxists and

ecosocialists say the problem is not human beings as such, or over population or industrialisation as such, or “the idea of economic growth,” but capitalism, many “greens” and environmentalists will simply reply, “But the Marxist/communist/ socialist countries have been an ecological disaster and just as committed to endless economic growth.” Leaving aside the terminology, they are right. China is again a key example. China overtook the US as the world’s leading carbon emitter in 2006, and now, at 2777 million tonnes per year, it emits more CO₂ than the US (1442m), India (714), and Russia (458) combined.⁴¹ Within this, China is the world’s greatest producer of coal by a considerable margin. In 2020, China accounted for over 50 per cent of coal production worldwide.⁴² China is also *by a long way* the world’s largest producer of environmentally disastrous cement⁴³ and of private cars.⁴⁴ Of course, it can be said that this is because of the size of China’s population, but that doesn’t change the immense global problem it is creating. It can also be said that Xi Jinping is promising to do better, but so is everybody, and this ignores the fact that the Chinese government, like all governments, has known this crisis was looming for a long time and done nothing.

The concept of state capitalism is therefore vital to the ecosocialist case in that it explains that the commitment to environmentally damaging growth characteristic of so many of these “actually existing” socialist societies is derived not from their “Marxist” ideology but from their capitalist nature and their compulsion to compete within the world capitalist economy.

Thus we can conclude that although the theory of state capitalism was elaborated in response to the phenomenon of Stalinist Russia,⁴⁵ it was deeply rooted in classical Marxism, set out before the Russian Revolution even occurred, and remains vital for understanding the contemporary world and for dealing with the political challenges facing socialists today.

¹ <https://www.merriam-webster.com/dictionary/capitalism>

² <https://en.wikipedia.org/wiki/Capitalism>

³ <https://dictionary.cambridge.org/dictionary/english/capitalism>

⁴ See <https://www.marxists.org/archive/marx/works/1844/manuscripts/preface.htm>

⁵ See <https://www.marxists.org/archive/marx/works/1843/critique-hpr/>

⁶ See <https://www.marxists.org/archive/marx/works/1847/wage-labour/>

⁷ Karl Marx, *Capital*, Volume 1, p714)

⁸ Ibid., p777.

⁹ Ibid., p588.

¹⁰ Frederick Engels, *Socialism: Utopian and Scientific*, 1993, pp103–4

¹¹ N. Bukharin, *Imperialism and the World Economy*, 1972, pp127–9.

¹² Ibid., p. 157–8. See

<https://www.marxists.org/archive/bukharin/works/1917/imperial/13.htm#22>

¹³ James Burnham, *The Managerial Revolution*, 1945, pp104–5.

¹⁴ So fixed is the idea that socialism equals state property in the heads of many mainstream academics that there is actually an academic debate about whether the Inca Empire was socialist. See Kevin R. Harrish, “Was the Inca Empire a socialist state? A historical discussion”, <https://www.eiu.edu/historia/Harris>

¹⁵ Engels, *Socialism: Utopian and Scientific*, p124.

¹⁶ James Connolly, “The New Evangel-State Monopoly versus Socialism”, *Worker’s Republic*, 1899. See <https://www.marxists.org/archive/connolly/1901/evangel/stmonsoc.htm>

¹⁷ See <https://www.marxists.org/archive/marx/works/1845/german-ideology/ch01a.htm>

¹⁸ See <https://www.marxists.org/archive/marx/works/1847/poverty-philosophy/ch01.htm>

¹⁹ See <https://www.marxists.org/archive/marx/works/1847/11/prin-com.htm>

²⁰ See <https://www.marxists.org/archive/marx/works/1848/communist-manifesto/ch02.htm>

²¹ Engels, *Socialism: Utopian and Scientific*, p106.

²² “By heralding the *dissolution of the hereto existing world order*, the proletariat merely proclaims the *secret of its own existence*, for it is the factual dissolution of that world order.” Karl Marx, ‘Introduction’ to *A Critique of Hegel’s Philosophy of Right*. See <https://www.marxists.org/archive/marx/works/1843/critique-hpr/intro.htm>.

On this point see also John Molyneux, *The Future Socialist Society*, 1987, (especially Chapters 1–3) available online at: <https://www.marxists.org/history/etol/writers/molyneux/1987/future/index.html>

²³ See John Molyneux, *Anarchism: A Marxist Criticism*, 2011, pp11–9.

²⁴ Marx and Engels, ‘Preface’ to German Edition of *The Manifesto of the Communist Party*, 1872. <https://www.marxists.org/archive/marx/works/1848/communist-manifesto/preface.htm>

²⁵ “Between capitalist and communist society there lies the period of the revolutionary transformation of the one into the other. Corresponding to this is also a political transition period in which the state can be nothing but *the revolutionary dictatorship of the proletariat*.” Karl Marx, ‘The Critique of the Gotha Programme’, 1875, available online at: <https://www.marxists.org/archive/marx/works/1875/gotha/ch04.htm> ; Moreover, Lenin made precisely this the starting point for his major work, *The State and Revolution*.

²⁶ As expressed, for example, in the famous Clause 4 of the British Labour Party constitution, drafted by Sydney and Beatrice Webb, which promised “the common ownership of the means of production, distribution and exchange,” until it was removed by Tony Blair in 1995.

²⁷ Though at present the US still dwarfs China in terms of its military budget and the size and reach of its armed forces.

²⁸ See Marnie Holborow, “AUKUS: The Route to a More Dangerous World”, *Rebel*, [online] 22 September 2021, <http://www.rebelnews.ie/2021/09/22/aukus/>

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- ²⁹ See John Bellamy Foster, “The New Cold War on China”, *Monthly Review*, July–August 2021, <https://monthlyreview.org/2021/07/01/the-new-cold-war-on-china/>
- ³⁰ John Bellamy Foster, “China 2020: An Introduction”, *Monthly Review*, October 2020, <https://monthlyreview.org/2020/10/01/china-2020-an-introduction/>
- ³¹ See Nigel Harris, *The Mandate of Heaven: Marx and Mao in Modern China*, 2016; and Tony Cliff, “Deflected Permanent Revolution” *International Socialism*, 61, <https://www.marxists.org/archive/cliff/works/1963/xx/permrev.htm>
- ³² The idea that socialism could have been overthrown and capitalism restored simply as a result of a change of leadership and the introduction of neo-capitalist policies from above by Deng is an extreme example of what Trotsky and others called “running the film of reformism backwards.”
- ³³ <https://www.statista.com/topics/5788/millionaires-in-china/>
- ³⁴ https://en.wikipedia.org/wiki/List_of_countries_by_number_of_billionaires#Hurun_Global_Rich_List
- ³⁵ <https://www.bbc.com/news/business-56671638>
- ³⁶ https://en.wikipedia.org/wiki/List_of_countries_by_income_equality#UN,_World_Bank_and_CIA_list_%E2%80%93_income_ratios_and_Gini_indices
- ³⁷ See *China Labour Bulletin – Supporting the Workers’ Movement in China* (<https://clb.org.hk/>) and its strike map https://maps.clb.org.hk/?i18n_language=en_US&map=1&startDate=2021-03&endDate=2021-09&eventId=&keyword=&addressId=&parentAddressId=&address=&parentAddress=&industry=&parentIndustry=&industryName=
- ³⁸ <https://www.amnesty.org/en/latest/press-release/2021/04/death-penalty-in-2020-facts-and-figures/>
- ³⁹ See ‘Draconian repression of Muslims in Xinjiang amounts to crimes against humanity’, *Amnesty International*, [online] 10 June 2021, <https://www.amnesty.ie/china-muslims-xinjiang/>
- ⁴⁰ See Memet Uludag and John Molyneux, “Imperialism, Russia and Syria”, *Irish Marxist Review*, 21, <http://www.irishmarxistreview.net/index.php/imr/article/view/290>
- ⁴¹ <https://www.bbc.com/news/world-asia-china-57483492>
- ⁴² <https://www.statista.com/statistics/265638/distribution-of-coal-production-worldwide/>
- ⁴³ In 2020, China poured 60 per cent of the world’s cement: <https://www.newsecuritybeat.org/2018/09/crushing-environmental-impact-chinas-cement-industry/>
- ⁴⁴ In 2020, China produced 21.4 million cars, compared to 8.33 million in Japan and 2.51 million in the US: <https://www.statista.com/statistics/226032/light-vehicle-producing-countries/>
- ⁴⁵ The key work was Tony Cliff, *State Capitalism in Russia*, 1974 (first published in 1948), available online at: <https://www.marxists.org/archive/cliff/works/1955/statecap/index.htm> ; but others, such as Ante Ciliga, C.L.R. James and Raya Dunayevskaya, and later Chris Harman, also contributed.