

Nature, Society, and Thought

**NST**

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**a Journal of Dialectical and Historical Materialism**

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# Unlikely Bedfellows: Orwell and the British Cultural Marxists

Philip Bounds

Our understanding of the main influences on the work of George Orwell has increased sharply over the last few years. Researchers in Britain and the United States have recently unearthed a number of sources that appear to have influenced the novels and political writings, ranging from a poem by Orwell's first wife in a Sunderland school magazine to the writings of dissident American Trotskyists.<sup>1</sup> Yet it remains the case that Orwell's political identity prevents us from appreciating the full scope of his intellectual interests. Because Orwell was a passionate anti-Communist, one of the doughtiest opponents not merely of Stalin's USSR, but of the world Communist movement as a whole, we tend to believe that he cannot have been influenced—except negatively—by the things that Communists said or wrote. But this is to misunderstand the left-wing culture to which Orwell belonged. The hard Left in Britain was every bit as divided in the Stalin period as it is today, but socialist intellectuals closely monitored the work of their counterparts in other organizations and ideas circulated freely across boundaries of party and doctrine. As such, Orwell was no less susceptible to Communist influence than any other contributor to *Tribune* or the *New Statesman*. The purpose of this article is to show that there were actually quite striking parallels between Orwell's cultural writings (still the least-examined part of his output) and those of the young literary

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intellectuals who were either members of, or closely associated with, the Communist Party of Great Britain (CPGB) in the 1930s and 1940s. These writers had a major influence on English literary culture in the ten years or so after 1935 and were certainly known to Orwell.<sup>2</sup> The most famous were probably Alick West, Ralph Fox, Christopher Caudwell, Edgell Rickword, and Jack Lindsay, although in this article I also refer to lesser known figures such as Arthur Calder-Marshall. I try to show that the writings of the English Communists influenced Orwell's work on culture in what I take to be its three main areas: (1) its account of the political significance of Englishness, (2) its attempt to identify a radical tradition in English literature, and (3) its analysis of commercial culture. Although this influence was indeed sometimes negative, in the sense that Orwell formulated his ideas in opposition to Communist writings, more often Orwell seemed to be reworking ideas with which he was basically in agreement. As we shall see, it could even be argued that on one occasion he came perilously close to plagiarizing an article by Alick West.

### ***The idea of Englishness***

Orwell gave his fullest account of English culture in "The Lion and the Unicorn: Socialism and the English Genius" (1941b) and *The English People* (1947), two short books that a number of editors have downgraded to mere essays. They are among the most important of all his writings, not least because they illustrate his main reason for becoming a socialist. By trying to show that there is something inherently radical about the outlook of the English people, they exemplify his belief that the great virtue of socialism is that it allows the "common decency" of ordinary people to permeate the whole of society. Yet there is little truth in the assumption that Orwell's interest in Englishness distinguished him from an interwar Left that was somehow more "internationalist" in its perspective. The attempt to define Englishness along radical lines was actually one of the most important strands in the cultural politics of the 1930s and had its roots in the efforts of Communist intellectuals to forge a popular culture appropriate to the CPGB's "People's Front" strategy against fascism.<sup>3</sup> An outline

of this attempt reveals the full extent of Orwell's debt to the work of his Communist contemporaries.

The CPGB's interest in the idea of Englishness is usually traced to the Seventh Congress of the Communist International in 1935. (The Communist International or "Comintern" was the organization based in Moscow that coordinated the activities of pro-Soviet Communist parties between 1919 and 1943.) It was at the Seventh Congress that the idea of a People's Front against fascism was enunciated for the first time. In his famous address to the Congress, published in Britain under the title *The Working Class Against Fascism* (1935), Comintern leader Georgi Dimitrov insisted that fascism could only be defeated by a strategic alliance of all the political forces opposed to it—including those, such as the liberal and progressive-conservative movements that the Communists otherwise regarded as "bourgeois."<sup>4</sup> He also argued that fascism should be contested at the cultural as well as the purely political level. According to Dimitrov, fascist movements had achieved considerable success by portraying themselves as the culmination of their respective national traditions. The Italian fascists had passed themselves off as the successors of Garibaldi, their French counterparts had identified Joan of Arc as the progenitor of Gallic fascism, while even the American fascists (though not considered a major threat) made inroads into public consciousness by identifying with the rebel forces in the War of Independence.

The role of the Communists was to expose this fraudulent appeal to patriotism by developing their own brand of patriotic history. By drawing public attention to the long history of popular radicalism in their respective countries, they could go a long way (or so Dimitrov believed) toward demonstrating that it was the values of Communism and not those of Hitler or Mussolini that represented the real legacy of the past (Dimitrov 1935).<sup>5</sup> The British Communists tried to popularize the history of what was usually called "English" radicalism in two distinctive ways.

Their first aim was to provide an overview of the long tradition of plebeian revolt that stretched back at least as far as the Peasants' Revolt of 1381, renewed itself with the various early

rebellions against enclosure (e.g., the Midlands Rising of 1609), and extended forward through the English Civil War, Chartism, and the birth of modern socialism.

Their second aim was slightly more rarefied—to show how a number of Britain’s most distinguished writers and thinkers had been inspired by the radicalism of ordinary people, going on to produce work that both reflected and clarified the concerns of the popular movement. The most influential works on the history of popular radicalism were probably A. L. Morton’s *A People’s History of England* (1938) and Jack Lindsay’s pamphlet *England My England: A Pageant of the English People* (1939). They were supplemented by an anthology of extracts from English radical literature that Lindsay coedited with Edgell Rickword and that appeared in the space of less than a year under two different titles: *Volunteers for Liberty* (1939) and *A Handbook of Freedom* (1939). The ingenious and paradoxical argument that underpinned these works was that the English people had always been the *real* custodian of liberal values by virtue of their unswerving commitment to communism. Whenever the people had risen up against their rulers, or so it was argued, they had invariably been motivated by the dream of a communist society. The immediate causes of popular rebellion had varied from century to century, ranging from exasperation with feudal hierarchies to a hatred of enclosure, low pay, and factory discipline, but the ultimate goal of the people had always been the establishment of a classless society based on common ownership. Moreover, the fact that such a society had not yet existed (except in primitive form in the period between the departure of the Romans and the arrival of the Normans) did not disguise the fact that popular revolt had been almost wholly responsible for winning the liberties that the English now take for granted. Freedom of speech and assembly, trial by jury, and parliamentary government—these were all the byproducts of the people’s struggle against a ruling class whose own contribution to the establishment of a liberal polity in Britain had been practically nonexistent.<sup>6</sup> In a passage to the significance of which I shall return later, Edgell Rickword suggested that the English idea of freedom had always been marked by a

salutary suspicion of unworldly theorizing—in other words, the people have tended to fight for “some specific form” of freedom and been relatively unconcerned with “freedom in the abstract” (1939, ix).

Orwell’s account of Englishness was organized around similar arguments to these, but it also contained an interesting change of emphasis. Whereas Lindsay, Morton, and Rickword had effectively claimed that the English people were good liberals because they were also good communists, Orwell took a more historically nuanced view. Instead of claiming that the English people had somehow been socialists since the late Middle Ages, he insisted—at least implicitly—that the characteristics that had previously inclined them toward liberalism now made them sympathetic to the idea of socialist revolution. Writing in “England Your England,” the first and most compelling part of “The Lion and the Unicorn,” he famously observed that the two most essential features of English culture were its “privateness” and its “gentleness” (1941b, 77–78). The first of these had tended to ensure that the ruled usually adopted an attitude of healthy irreverence toward their rulers. By organizing their spare time around “unofficial” activities and spaces relatively immune from political interference (“the pub, the football match, the back garden, the fireside and the ‘nice cup of tea’” [78]), the common people had naturally come into conflict with a ruling class that remained deeply puritanical and morally authoritarian. By the same token, their gentleness had made them instinctively sympathetic toward all the constitutional proprieties that totalitarian governments were now seeking to discredit: trial by jury, free elections, equality under the law, and so on. It had also imbued them with a hatred of militarism that made it most unlikely that a culture of goose-stepping chauvinism could ever take root in Britain, except as a result of foreign invasion. Now that the “utter rottenness of private capitalism” had become evident, the English people had finally realized that their liberal instincts could only receive adequate expression in a classless society—or, as Orwell put it, “By revolution we become more ourselves, not less” (133).

If Orwell agreed with the Communists that the English people had conflated socialist and liberal concerns in a very distinctive way, he also echoed Rickword's point about their distrust of theory. One of his first observations in "England Your England" was that "the English are not intellectual" and that they "have a horror of abstract thought, they feel no need for any philosophy or systematic world-view" (1941b, 77). In spite of belonging to one of the most emphatically doctrinal movements in the history of world politics, both he and Rickword seemed to approve of this anti-intellectualism, seeing it as a necessary antidote to the tendency of continental socialists to lose themselves in theoretical mazes. It is tempting to argue that Orwell and Rickword had a sort of sub-Adornian awareness of the way that "instrumental reason" can be bent to authoritarian (or fascistic) purposes, but the real explanation for their distrust of abstraction was probably more simple—a shared concern that socialism had become too closely associated with the cause of science.

The assumption that science and socialism were practically synonymous had achieved special prominence in interwar Britain, not least because of the very public conversion to Marxism of such eminent scientists as J. D. Bernal, J. B. S. Haldane, Hyman Levy, Joseph Needham, and Lancelot Hogben. Each of these men had played a role in popularizing the idea that socialism's chief mission was to liberate science from the distortions of the capitalist market.<sup>7</sup> In his notorious book *The World, the Flesh and the Devil* (1929), Bernal had even suggested that scientists should take sole responsibility for administering the society of the future, though not before dispensing with their bodies and suspending their brains in synthetic cylinders.<sup>8</sup> When they paid tribute to the determinedly empirical outlook of working-class Britons, Orwell and Rickword were effectively warning the Left against the dangers of such fanaticism. Rickword was presumably dissuaded by Party loyalties from launching a concerted attack on science; but in his remarkable essay "Culture, Progress and English Tradition," written for C. Day Lewis's symposium *The Mind in Chains* (1937), he hinted at his real views by claiming that a socialist society would transcend the opposition between art and science by

combining the methods of both in a sort of higher synthesis (1937, 255–56). Orwell was much more explicit in his comments on science, especially in the second part of *The Road to Wigan Pier* (1937). While recognizing—and not regretting—that the advance of science could not be stopped, he argued that advanced technology would inevitably create a culture in which heroism was impossible, everyday life became sedentary, and all forms of work were stripped of their aesthetic significance (Orwell 1937, chap. 12). As such, the role of people like himself (whom he called “internal critics” of the Left) was to serve notice that socialism had much more to do with “justice and liberty” than with the worship of machines.

### ***The politics of English literature***

As we have already seen, the second element in Communist writings on Englishness was the attempt to identify a strain of radicalism in Britain’s literary heritage. Party intellectuals claimed a number of Britain’s most famous writers and thinkers for the radical tradition in a flurry of writings from 1935 onwards. There were important monographs on Bunyan, Dickens, and William Morris; suggestive essays on figures such as More, Shakespeare, Swift, and Blake in the journals *Left Review* (1934–1938) and *Our Time* (1941–1949); as well as numerous brief articles on radical writers in a series entitled “The Past is Ours” in the *Daily Worker*. Orwell was often highly critical of this body of work, seeing it (probably wrongly) as part of a dishonest effort to project Communist values onto writers whose real political sympathies lay elsewhere. What has yet to be recognized is that some of his own writings on English literature, notably the great essays and articles on Swift, Dickens, and Gissing, effectively took the form of a critical dialogue with Communist intellectuals. One way of approaching the essay on Dickens is to see it as an extended response to T. A. Jackson’s *Charles Dickens: The Progress of a Radical* (1937), a book that Orwell singled out as a prime example of the tendency of modern ideologues to “steal” Dickens for their own causes (1940b, 454). Although Jackson’s book is too disorganized and digressive to be straightforwardly

summarized, its main concern was to portray Dickens as a cultural radical with a powerful faith in the possibilities of working-class power. Dickens, or so the argument went, instinctively understood that the cultural poverty of the Victorian age was rooted in its capitalist base. Since entrepreneurs have no choice but to be parsimonious with their investments (a situation summed up by Mr. Gradgrind's injunction to "buy in the cheapest market and sell in the most expensive"), and since a society's values are invariably based on those of the dominant economic system, it follows that the main characteristic of everyday life under capitalism will be a brutal suppression of emotion.

The consequences of a compassionless culture are particularly severe for children, whom the system (in the form of such schoolmaster-ogres as Dr. Blimber, Mrs. Pipchin, and Wackford Squeers) treats as undisciplined beasts whose spirit has to be broken at an early age. According to Jackson, who was unfairly described by Orwell as making "spirited efforts to turn Dickens into a bloodthirsty revolutionary" (1940b, 454), Dickens responded to the crisis of Victorian culture by calling for power to be taken out of bourgeois hands and devolved to working people. As soon as the workers are assigned a more central role in society, or so Dickens allegedly believed, their natural generosity of mind would pose a major threat to the more self-denying traditions of the ruling class. Working on this assumption, Jackson put forward the startling argument that the various stages in the evolution of Dickens's writings can be precisely correlated with the various stages in the development of Victorian radicalism.

The first, roughly between 1836 and 1842, was one of a unbounded optimism. At a time when Chartism enjoyed mass support and male wage-earners seemed on the verge of winning the vote, Dickens wrote a series of novels (*Pickwick Papers*, *Oliver Twist*, *Nicholas Nickleby*) in which class hierarchies were treated as a purely accidental feature of modern society, soon to be replaced by a more fluid set of economic and political relationships. Among the most important characters in these books were benevolent employers such as Pickwick and Brownlow, who were held up as models of democratic virtue.

The subsequent retrenchment of English radicalism, however, was rapidly to engender a darkening of Dickens's mood. In the years between the collapse of industrial Chartism in 1842 and the failure of the Second Charter in 1848, most of his novels (especially *Dombey and Son*) began to explore the factors that prevent the wealthy from voluntarily surrendering their power. One of his main themes at this point was the nature of pride, seen as the natural ally of hierarchy. Moreover, the final period of his career (stretching from 1848 through to his death in 1872) saw the growing pessimism of the second period harden into outright despair about the possibility of social change. Looking on as the challenge of Chartism collapsed, Dickens now came to believe that British institutions were specifically designed to prevent ordinary people from exercising power. He illustrated this view with great trenchancy in *Bleak House* (1853), which showed how the legal system seeks to exclude the uninitiated by adopting procedures of a wholly unnecessary complexity (Jackson 1937a).

The argument that Orwell put forward in "Charles Dickens" (1940b) seemed at first sight to be quite different from the one advanced by Jackson. Whereas Jackson saw Dickens as an enemy of the existing system, Orwell famously described him as a "moralist" who believed that capitalism would function perfectly well if only people in general (and the ruling class in particular) were to behave more compassionately. Yet the interesting thing about Orwell's essay was the way it attacked the thesis of Jackson's book while preserving the structure of its argument. In particular, Orwell retained the idea that Dickens's writings passed through three stages of development but used it to substantiate his claim that the novels were primarily moralistic rather than political. Like Jackson, Orwell was especially interested in Dickens's portrayal of the "Good Rich Man." Noting that the early novels were littered with benevolent employers (such as Pickwick, Chuzzlewit, the Cheerybles), Orwell argued that their main purpose was to show how capitalism could be made to serve the public interest so long as the people who run it have a change of heart—a point implicitly refuting Jackson's claim that Pickwick and his ilk symbolized a moment at which class hierarchies seemed to be breaking down.

In a concession to the argument that the second and third stages of Dickens's career involved a descent into pessimism, Orwell went on to point out that benevolent employers more or less disappeared from the books written after 1850, only to be triumphantly revived at the eleventh hour in *Our Mutual Friend*:

The seeming inference from the rather despondent books that Dickens wrote in the fifties is that by that time he had grasped the helplessness of well-meaning individuals in a corrupt society. Nevertheless in the last completed novel, *Our Mutual Friend* (published 1864–5), the good rich man comes back in full glory in the person of Boffin. Boffin . . . is the usual *deus ex machina*, solving everybody's problems by showering money in all directions . . . In several ways *Our Mutual Friend* is a return to the earlier manner, and not an unsuccessful return either. Dickens's thoughts seem to have come full circle. Once again, individual kindness is the remedy for everything. (1940b, 458–59)

Although Orwell was obviously on the side of those who wished to change society rather than tamper with established values, he still managed to see something progressive in Dickens's emphasis on the ethical responsibilities of individuals. In a totalitarian age, Orwell wrote, it is depressingly obvious that "nearly every intellectual" sympathizes with the powerful and feels contempt for the common people. The great value of Dickens's moralism is that it graphically reminds us of the way that ordinary people have suffered at the hands of elites, and therefore reaffirms the importance of the egalitarian ideals that have "haunted" Western societies since the dawn of Christianity. Since Jackson was one of Britain's most egregious apologists for Stalinism, shamelessly defending the Moscow trials in the pages of *Left Review* (1937b), he might well have been one of the intellectuals Orwell had in mind when he formulated this argument. Moreover, when Orwell tried to clinch his argument by commenting on Dickens's portrayal of violent revolution (specifically in *Barnaby Rudge* and *A Tale of Two Cities*), he was surely responding directly to a discussion of the same issue in Jackson's book.

According to Jackson, Dickens became more attracted to the idea of violent revolution as his disillusionment with British institutions deepened. Whereas *Barnaby Rudge*, published in 1851 but written in 1848, seemed to dismiss the Gordon Rioters of 1780 as a bunch of drunkards and madmen, *A Tale of Two Cities* (1859) portrayed the *canaille* of 1789 in a much more favorable light. By contrast, Orwell argued that Dickens felt a hatred for those who would seek change by force that remained constant throughout his career. The Gordon Riots are indeed presented in *Barnaby Rudge* as the work of an evil mob, but even in *A Tale of Two Cities*, which acknowledged that the French masses had legitimate grievances, it was strongly implied that the French Revolution might have been avoided if the aristocracy had only taken its responsibilities more seriously. The “profound horror” that Dickens displayed in the face of “mob violence” tells us all we need to know about his suspicion of political action.

Orwell’s implicit point in “Charles Dickens” was not that the Communists were wrong to see Dickens as a radical, simply that their understanding of his radicalism was badly flawed. Elsewhere in his writings on English literature, taking his desire to nettle the Communists to more extreme lengths, he came perilously close to a mischievous endorsement of precisely those fascist and *fascisant* arguments about culture to which the Party intellectuals were responding. As we have seen, Dimitrov had urged Communists to write about the radical tradition in order to disprove the assumption that the values of the past were essentially fascist values in embryo. By contrast, Orwell seemed happy to admit that many of Britain’s greatest writers had anticipated the fascist outlook. He insisted that the value of writers such as Swift and Gissing was not that they were “progressive” but that they depicted the mentality of right-wing authoritarianism *from the inside*. The contrast between Orwell’s writings on Swift and those of Communists such as Rex Warner and Edgell Rickword is especially instructive (Rickword 1935; Warner 1937). According to Warner and Rickword, Swift was among the *sanest* voices of dissent in British history. Hostile to emergent capitalism by virtue of his aristocratic background, he was the first major writer to expose the way that

market competition gives rise to war, imperialism, and tyranny. Swift was by no means the hater of humanity whom Dr. Johnson had caricatured in *The Lives of the Poets*; his every political act was stimulated by a deep respect for the common people and an unquenchable thirst for freedom. “This is not the record of a misanthrope,” wrote Warner in an account of Swift’s involvement in the campaign for Irish independence, “but of a defender of liberty” (1937, 270). Orwell’s portrait of Swift could scarcely have been more different. Writing in “Politics vs. Literature: An Examination of *Gulliver’s Travels*,” he not only argued that Swift deserved his reputation for misanthropy but that his “world-view . . . only just passes the test of sanity” (1946a, 261). *Gulliver’s Travels* was the work of an extreme social conservative who believed that human beings were simply too disreputable to benefit from social change. Moreover, in his anxiety to guard against change, Swift conjured a vision of political dictatorship in Book III of *Gulliver* that uncannily foreshadowed the worst excesses of modern totalitarianism:

He [Swift] has an extraordinarily clear prevision of the spy-haunted “police State,” with its endless heresy-hunts and treason trials, all really designed to neutralize popular discontent by changing it into war hysteria. And one must remember that Swift is here inferring the whole from a quite small part, for the feeble governments of his own day did not give him illustrations ready-made. . . . There is something queerly familiar in the atmosphere of these chapters, because, mixed up with much fooling, there is a perception that one of the aims of totalitarianism is not merely to make sure that people think the right thoughts, but actually to make them *less conscious*. (1946a, 249–51)

There is one other way in which Orwell arguably tried to guy the Communists by recasting their work on the radical tradition. On most of the occasions when the Communists wrote about the history of English revolt, they were careful to emphasize that the only modern organization that could claim the mantle of Wat Tyler, Robert Owen, or William Morris was the CPGB itself—the “party of a new type” that would finally allow the English people to achieve their dream of a classless society. In his “Introduction”

to *British Pamphleteers*, the book that he coedited with Reginald Reynolds in 1948, Orwell put things rather differently: “The vision of a world of free and equal human beings . . . never materialises, but the belief in it never seems to die out. The English Diggers and Levellers . . . are links in a chain of thought which stretches from the slave revolts of antiquity, through various peasant risings and heretical sects of the Middle Ages, down to the Socialists of the nineteenth century and the Trotskyists and Anarchists of our own day” (1948, 10). Of all Orwell’s barbs against the Communists, this might well have been the one that hurt the most.

### ***The politics of commercial culture***

Orwell’s investigations into English identity were closely related to his writings on the culture industry and the media. If the work on Englishness explained why ordinary people already possessed a culture of “common decency” that inclined them toward socialism, the famous essays on boys’ comics, seaside postcards, popular newspapers, and crime fiction analyzed some of the forces that cut across or subverted that culture. Orwell examined commercial texts with an eye to the political meanings that restrained the radical instincts of the people, often concluding (as in the essay on boys’ comics) that the public was being duped by an ideology that amounted to patrician conservatism (1940a). He also analyzed the culture industry from a specifically moral perspective, insisting that an influx of violent and authoritarian material from the USA posed a grave threat to English propriety. Some of Orwell’s greatest writing can be found in the pages that he devoted to these themes, but those who see him as a sort of lone pioneer of Cultural Studies are not entirely accurate. There were a number of left-wing writers in the 1930s who saw the need to take popular culture seriously, many of them associated in one way or another with the Communist Party. Communist writers contributed short pieces on the commercial arts to various editions of *Left Review*, to the publications of the documentary film movement, and to C. Day Lewis’s influential symposium *The Mind in Chains: Socialism and the Cultural Revolution* (1937).

The fascinating thing about much of this work was that it foreshadowed the concern with “polysemy” that dominated Cultural

Studies in the 1970s after Antonio Gramsci's theory of hegemony became influential in Britain. Although the English Communists took it for granted that the products of the media were saturated in bourgeois ideology, they remained alert to those rare moments when they gave expression to a more questioning or oppositional perspective. The most distinguished work in this vein was probably Charles Madge's essay "Press, Radio and Social Consciousness" (1937) and a two-part article on the detective story that Alick West wrote for *Left Review* (1938a, 1938b). The purpose of the rest of this section is to show that both Madge and West can be seen as major sources for Orwell's writings on popular culture, even to the point (in the case of West's articles) where Orwell could almost be accused of plagiarism.

West's essays on detective fiction appeared about a year after his book *Crisis and Criticism* (1937), one of the founding texts of Marxist literary theory in Britain. Their purpose was to show that detective fiction was by no means a purely reactionary form and had often, since its beginnings in the eighteenth century, displayed an intriguing blend of what Raymond Williams might have called "emergent" and "hegemonic" elements. More precisely, West believed that detective stories had gone through three main stages of development. The first, which began in 1764 with the publication of the "first thriller" (Horace Walpole's *The Castle of Otranto*) and lasted until about 1840, reflected the intelligentsia's highly ambivalent attitude toward the romantic movement and its attack on the status quo. A novel like William Godwin's *Caleb Williams* (1794) idealized the criminal and portrayed him as a "far greater man" than the detective, yet its seditiousness was not altogether total—the detective came out on top at the end. By contrast, the dominant mood of the second phase, from approximately 1840 to 1900, was the desire to see the existing order protected at all costs. Terrified by the growth of the labor movement and the prospect of revolution, middle-class readers exulted in the spectacle of a brilliant detective solving crimes with breathtaking intellectual flair. This was the period in which Sherlock Holmes could identify a criminal simply by inspecting the knees of his trousers. By the start of the twentieth century, on the other hand, the detective

novel was beginning to revert to the ambivalence of its first period. The work of Wallace or Chesterton might not have been as seditious as *Caleb Williams*, but it often created the impression that the criminal was far more interesting than the forces of law and order. This was partly because it took great pains to conceal his identity until the closing stages of the narrative, swathing him in a certain irresistible glamor as a consequence, but it also resulted from new ways of representing the detective. The modern crime novel was not so much a tribute to individual genius as a study of bureaucracy: its attention had shifted from the inspired amateur to “mass investigation by the police” (West 1938b, 796). Moreover, it is difficult to admire the police when chance has replaced the intellect as the main means by which crimes are solved: “a man repairing telephone wires happens to look into the window of a room where the criminals think themselves unobserved, and his evidence gives a vital clue” (1938b, 796). Although West was not entirely comfortable with modern detective novels, seeing them as “finally dull, even though one cannot lay them down,” he also insisted that their sympathy toward the criminal represented a “sign of revolt against dying capitalism” (West 1938b, 797).

There were some startling similarities between West’s account of detective fiction and the one to be found in Orwell’s essays “The Detective Story” (1943) and “Raffles and Miss Blandish” (1944). Like West, Orwell set out to compare the detective novels of his own day with those of the past, though he ignored the age of Godwin and settled for a straight comparison between the “vintage” works of the nineteenth century and the “mass produced” novels of the period between 1920 and 1940. He also followed West in arguing that the main difference between the two periods was that reverence toward the detective had now given way to fascination with the criminal. If the “earlier writers . . . made their detectives into exceptionally gifted individuals, demigods for whom they felt a boundless admiration” (Orwell 1943, 339), their modern counterparts had adopted an “equivocal attitude toward crime” (Orwell 1944, 255). Although this argument was obviously not distinctive enough for us to say with any confidence that Orwell had derived it from West, the truly remarkable thing was

the way that he (Orwell) echoed West's essay when seeking to substantiate it. Where West had insisted that the modern crime writer boosts the criminal and diminishes the detective by (1) swathing the criminal in mystery by concealing the criminal's identity until the end of the book, (2) replacing the individual detective with the bureaucratic police organization, and (3) emphasizing the role of chance in the solution of crimes, Orwell wrote as follows:

The most annoying thing about the writers of modern detective stories is their constant, almost painful effort to hide the culprit's identity. (1943, 338)

[Edgar] Wallace was one of the first crime-story writers to break away from the old tradition of the private detective and make his central figure a Scotland Yard official. . . . His own ideal was the detective-inspector who catches criminals not because he is intellectually brilliant but because he is part of an all-powerful organisation. . . .

. . . in Wallace's most characteristic stories the "clue" and the "deduction" play no part. The criminal is always defeated either by an incredible coincidence, or because in some unexplained manner the police know all about the crime beforehand. (1944, 256)

The issue that divided Orwell from West was that of how these recent developments in detective fiction should be evaluated. West might have regarded cynicism toward the police as a sign that capitalist rule was under threat, but Orwell saw it as a harbinger of moral and political catastrophe. Deploying the same bluff tones that he famously used in "Inside the Whale" (1940c) to skewer W. H. Auden's reference to "necessary murder" in the poem *Spain*, he insisted that "the tendency to tolerate crime, even to admire the criminal so long as he is successful, is . . . ultimately [the] attitude that has made it possible for crime to flourish upon so large a scale" (1944, 255). His broader point, reminiscent of the contemporaneous arguments of the Frankfurt School, was that the work of a writer like James Hadley Chase expressed the same psychological outlook that had engendered the rise of fascism. The truly sinister thing about the modern crime novel was the

*gratuitousness* with which it depicted brutal acts of violence. Once the reader has immersed himself in the orgy of rapes, murders, and shootings that disfigure a book like *Raffles and Miss Blandish*, he can have little doubt that Chase's characters (and probably Chase himself) are motivated by a "love of cruelty and wickedness for their own sakes" (1944, 258). It was precisely this exultation in untrammelled power that Orwell would later describe in *Nineteen Eighty-Four* (1949) as the "why" rather than the "how" of totalitarian politics.

If Orwell's writings on detective fiction gave a rather pessimistic account of the likely effects of modern popular culture on the morality of ordinary people, his essay on "The Art of Donald McGill" (1941a) was more upbeat. As we shall see, his conclusion after surveying the seaside postcards of McGill and others was not only that the English working class still subscribed to a fairly strict moral code (a point that partly contradicted his own argument in "England Your England") but also that they possessed a sort of shrewd realism about moral issues that was not evident in their social superiors. What I want to suggest here is that "The Art of Donald McGill" can plausibly be seen as a critical response to the work of Charles Madge, cofounder of the Mass Observation movement, whose essay "Press, Radio and Social Consciousness" raised similar issues but came to very different conclusions.<sup>9</sup> Although Madge's essay touched on a number of aspects of media culture, its main purpose was to draw attention to an element of political ambiguity in popular newspapers. On the one hand, Madge insisted, it is clearly the case that the economic structure of the press has deeply reactionary consequences. Since the newspapers are owned by large commercial organizations that can only turn a profit by selling advertising space, it is more or less inevitable that the ideas they express will be those of the ruling class. However, the need to secure a mass readership has also obliged the newspapers to cultivate a mental atmosphere (to use one of Orwell's favorite phrases) that goes some way toward subverting those ideas. The leitmotif of the popular newspaper in Britain is a "vulgar and sensational" ethos that reflects the unconscious preoccupation with sex and violence that characterizes the

working-class mind in modern conditions. When bourgeois ideology is juxtaposed against this ethos, when the prejudices of the ruling class are absorbed into the “strange poetry” of the proletarian unconscious, there is every chance (or so Madge believed) that the readers will adopt a critical distance from what they read and begin to question the shibboleths of capitalist society: “The newspaper-reader is temporarily in the state described by Coleridge as a ‘willing suspension of disbelief’ . . . it means we regard it [i.e., the news] not as objective fact, but as poetic fact. It also means that when we stop reading, the news ceases to have the same hard, inescapable force that the objective fact has; it becomes a poetic memory, affecting our feelings but not our actions” (Madge 1937, 151). In a sort of sub-Reichian twist to his argument, Madge also seemed to believe that cheap newspapers would ultimately have a dramatic effect on working-class morality. By appealing to desires that would otherwise have remained suppressed, they create “formidable psychological reserves of dissatisfaction” that must one day subvert the ethic of self-denial on which capitalism depends (150). Moreover, in their endless search for new sources of sensationalism, they frequently dredge up material that portrays the existing system in a more morbid light than ever:

Even when ostensibly benevolent, capitalism cannot help being the bearer of evils; and even when, vice versa, it is simply out to win a big circulation, the newspaper cannot help being a good influence, and eventually an influence subversive of itself. Though it may carry political propaganda and exploiter-class advertisement on one page, on another it will print the story of a starving, unemployed family, simply because it is a good human story. The class-basis of the proprietors determines the politics; the class-basis of the readers at least helps to determine the rest of the news. (152)

Whereas Madge saw the “sensational and vulgar” material at the heart of the popular media as a sort of cultural acid, profoundly subversive in its capacity to corrode bourgeois ideology and tempt ordinary people away from their puritanism, Orwell interpreted it in a much more conservative fashion. The first few

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pages of “The Art of Donald McGill” lovingly described the most common scenarios in McGill’s postcards, making it clear that McGill took a “humorous” but not “witty” delight in satirizing society’s most morally esteemed activities—getting married, having children, behaving respectfully toward the old. Yet the clear message of the essay was that the orgy of garish colors, porcine women, and obscene jokes in seaside postcards was not so much a challenge to established morality as a way of reaffirming it. McGill’s satires only strike us as funny because they take the continued existence of a “fairly strict moral code” for granted: “This [a postcard satirizing a newly married couple] is obscene . . . but it is not immoral. Its implication—and this is just the implication *Esquire* or the *New Yorker* would avoid at all costs—is that marriage is something profoundly exciting and important, the biggest event in the average human being’s life” (1941a, 189). Moreover, the element of vulgarity in his work reflected a deep moral wisdom that is common among working people but rare in the middle and upper classes. By sending up established values in a way that did very little to subvert them, McGill evoked the deep shades of grey that invariably characterize our moral outlook—the fact that each of us is simultaneously Don Quixote (a principled defender of moral order) as well as Sancho Panza (“a little fat man” who values luxury and personal survival more than moral honor). Orwell seemed to believe that this sense of moral complexity is especially pronounced among ordinary people, who translate it into a determination both to observe existing standards but not to be irrationally beholden to them. As such, the moral vision of the working class is similar to the one enunciated in chapter 7 of *Ecclesiastes*: “Be not righteous over much . . . why shouldst thou destroy thyself? Be not overmuch wicked, neither be thou foolish” (Quoted in Orwell 1941a, 194). Orwell also endorsed the expression in McGill’s postcards of a fairly bleak vision of human limitations, one that again reflected the innate good sense of working people. When McGill peopled his drawings with images of physical grotesquerie, including women with enormous bottoms and pathetic husbands with emaciated torsos and false teeth, he was effectively

expressing the proletarian conviction that “youth and adventure—almost, indeed, individual life—end with marriage” (189). The scion of a middle- or upper-class home might still regard life after the age of twenty-five as an opportunity for personal fulfillment; but his working-class counterpart will probably abandon all his personal ambitions once the first flush of youth has passed. To be working class and married is to live almost solely for one’s children.

Although “The Art of Donald McGill” is not an especially political essay, it is easy to see why a socialist of Orwell’s stamp might have been attracted to the “worldview” expressed in McGill’s postcards. As a writer who was always suspicious of the doctrine of human perfectibility, not least because it had infected the socialist movement with the sort of intolerance that ultimately gave rise to Stalinism, Orwell perhaps saw the element of working-class fatalism in seaside postcards as a useful antidote to utopian illusions. Since he seems to have spent much of his life torturing himself over “sins both real and imagined” (Bowker 2003, 2), there was also perhaps a sense in which he regarded the socialist movement as a potent source of guilt. With its Manichaeian habit of portraying the workers as wholly good and the bosses as irredeemably evil (along with its insistence that socialism would expunge all forms of selfishness from human nature), the socialist movement must sometimes have struck Orwell as an intolerably demanding moral taskmaster, continually reminding him of his own failure to behave with absolute integrity. In this context, McGill’s Ecclesiastean moral code must have provided reassuring evidence that the working class—socialism’s main constituency—would never allow itself to be tempted by the inhumane strictures of a black and white morality.

It is also worth mentioning one other intriguing parallel between Orwell’s writings on popular culture and those of the British Communists, not least because it goes some way toward enhancing our understanding of the influences on *Nineteen Eighty-Four*. Apart from analyzing the commercial culture of his own day, Orwell famously turned his attention to the question of how the culture industry would be organized in the totalitarian age

that he believed to be imminent. Since genuine creativity can only occur in conditions of relative freedom, Orwell argued, it is likely that totalitarian societies will tend to organize cultural production along Fordist lines. Instead of cultural texts being produced by individual authors, they will increasingly be assembled from the work of disparate people who have each been assigned a limited and precisely defined task—planning, writing, editing, and so on. There might even come a time when texts are almost completely produced by machines. It was ideas such as these, rehearsed for the first time in his great essay “The Prevention of Literature” (1946b), that Orwell used to such good effect when devising The Ministry of Truth in *Nineteen Eighty-Four*. What is sometimes overlooked is that he based his predictions on developments that had already taken place in the media industries of the democratic nations. In particular, Orwell pointed to the existence of a complex division of labor in Hollywood studios, noting that “The Disney films . . . are produced by what is essentially a factory process, the work being done partly mechanically and partly by teams of artists who have to subordinate their individual styles” (92). While Orwell could have derived his understanding of the film industry from a variety of sources, it is worth noting that an emphasis on Hollywood production techniques had featured in the Marxist account of film that Arthur Calder-Marshall tried to develop in the 1930s. In his essay “The Film Industry” (1937), a comparatively sophisticated attempt to explore the political economy of film, Calder-Marshall argued that Hollywood can only retain the loyalty of its artists by rationalizing the process of production to the point where the individual artists have no real conception of the film they are working on:

If the systematic dilution of originality were presented to the artist crudely, he would revolt against it. For this reason the making of a film is put into the hands not of a single artist, but of a number of executives. The scenarist is given full rope: he is encouraged to put all his creative power into his scenario. Then the scenario is handed over to another executive who emasculates it. This happens at every stage in the production: so that the final film represents the resultant of

the progressive, creative forces, countered by the forces of reaction. (Calder-Marshall 1937, 64)

In a dialogue on “The Proletarian Writer,” which Orwell and Desmond Hawkins contributed to BBC radio in December 1940, Calder-Marshall was one of four Marxist writers whom Orwell mentioned by name—the others were Christopher Caudwell, Alec Brown, and Edward Upward (Orwell and Hawkins 1970, 58). Since Calder-Marshall was by no means a Communist writer of the first rank, the fact that he stuck in Orwell’s mind lends credence to the view that his writings on film were among the sources that Orwell drew on (consciously or otherwise), while sketching his nightmare vision of cultural manipulation in *Nineteen Eighty-Four*.

### **Conclusion**

Orwell’s writings on Englishness, literature, and popular culture were not the only ones to be influenced by the work of the British cultural Marxists. Elsewhere I try to show that many other aspects of his work, including his proposals for cultural reform and his theory of totalitarianism, also reflected the concerns of his Communist contemporaries.<sup>10</sup> The recognition that Orwell was *positively* influenced by the Communists has a number of important implications. In the first place, it goes some way toward undermining his reputation for crude anti-Communism. No one would deny that Orwell was deeply hostile to Communism as a political force, and that he was often treated appallingly by members of the CPGB, yet his work also contained a surprisingly large number of passages that acknowledged the value both of individual Communists and of certain aspects of Communist strategy. No balanced account of Orwell’s work should disregard his characteristically scrupulous recognition that his political enemies occasionally had their merits. Moreover, Orwell’s reworking of Communist ideas reminds us that the British Left has never been quite as prone to internecine warfare as is sometimes supposed. The political hostility among Communists, Trotskyists, and other trends has indeed been considerable; but the Left’s obsessively cerebral culture has usually ensured that ideas from right across

the revolutionary spectrum have received a fair hearing. Orwell's work bears witness to the truth that the Left's hunger for knowledge has often outweighed its taste for conflict.

Swansea  
Great Britain

#### NOTES

1. For an account of Eileen Blair's poem "End of the Century: 1984," see Taylor 2003, 375–76. John Newsinger explores the Trotskyist influence on Orwell in Newsinger 2001.

2. For a history of this generation of Communist critics, see Bounds 2003. See also Margolies 1979, Prakash 1994, Behrend 1998, and Paananen 2000.

3. For an account of the Communist attempt to trace the history of the "English radical tradition," see Bounds 2003, 179–247.

4. It goes without saying that Dimitrov saw no role in the People's Front for Trotskyists. For Orwell's account of the baleful consequences of Soviet anti-Trotskyism during the Spanish Civil War, see Orwell 1938.

5. For accounts of the influence of Dimitrov's speech on the British Communists, see Klugmann 1979 and Heinemann 1985.

6. This paragraph summarizes the argument of Rickword in his introduction to *Handbook of Freedom* (1939).

7. For a useful overview of the writings of this group of Communist scientists, see Roberts 1997, chap. 5.

8. There is a useful summary of *The World, the Flesh and the Devil* in Wood 1959, 138–39.

9. Madge's essay appeared in C. Day Lewis's symposium *The Mind in Chains* (1937). Orwell referred to this book in his essay "Inside the Whale" (1940c, 572).

10. See my forthcoming book *Orwell and Culture: The Dialogue with British Marxism*.

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## **The Socialist Market Economy and Other Theoretical Issues—NST Symposium and China Study Tour June 2007**

A conference on the theme “Socialist Market Economy and Other Theoretical Issues” cosponsored by *Nature, Society, and Thought*, the Academy of Marxism of the Chinese Academy of Social Sciences, and the Central Translation and Compilation Bureau of the Central Committee of the Communist Party of China was held in Beijing 2–3 June 2007. The conference was embedded in a two-week study tour that included visits to Beijing, Guilin, Lijiang, and sub-Himalayan areas of Yunnan province inhabited by the Naxi and Tibetan peoples.

Apart from the conference and visits to cultural and historical sites, the tour itinerary included meetings with university and public school staff, a village council leader, the All-China Women’s Federation, and tours of a Volkswagen plant and a Japanese owned factory that produced a yogurt-like product in Shanghai. In Shanghai, we were also hosted by the Shanghai Party School of the Communist Party of China, which had prepared a PowerPoint presentation of their view of China’s development strategy.

One of the high points of the tour was the visit to a public school in a poor Naxi village near the city of Lijiang. Although it was on a Saturday, the school children, wearing their red bandanas, lined the entrance to the school grounds greeting us with applause as we entered. They then assembled in front of us and broke out with smiles as we sang “Old MacDonald Had a Farm,” to which they reciprocated with Chinese songs. Before we went to the areas inhabited by ethnic minorities, our Chinese guides stressed the importance of our

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being sensitive to the customs of minority peoples, in one case, for example, to avoid physical contact in initial greetings. In the case of the visit to the school in the Naxi village, our guides suggested that we bring gifts of school supplies, which we did, supplementing them with some volley balls.

The shift in China and Vietnam from centralized planned economies to socialist-oriented economies and their subsequent high rate of economic development has not been without economic dislocations. Leftist critics of this path of socialist development seize upon these dislocations to condemn the entire process as a counter-revolutionary restoration of capitalism in these countries. In doing so, they cite one negative phenomenon after another, ignoring the dialectical character of the process of social transformation. For example, they deplore the abandonment in China of the barefoot doctor system of free medical care, a system in which the “barefoot doctors” generally had less medical training than a nurse and little access to needed pharmaceutical products. Today health care is increasingly provided by fully trained medical doctors with access to a developing pharmaceutical industry. Life expectancy in China did not decrease, as it did in Russia, but is increasing. All employers in the public and private sector have to provide health insurance to their employees. Families with incomes below the poverty line have free access to medical care. By 2010, the entire population will be covered by health insurance. These critics, citing unemployment caused by the closing of factories with antiquated technology, similarly ignore the aid given to these workers and the temporary nature of the unemployment, just as they ignore the doubling of average wage every ten years during the past three decades.

During our travels in China, we noted the absence of the kind of abject poverty and “hooverilles” that one encounters in cities like São Paulo or Mumbai. Equally impressive was the attention paid to the development of basic infrastructure. As I traveled through the sub-Himalayas in Yunnan province, nowhere did I encounter a “dead zone” on my China Mobile phone.

Despite its achievements, China’s path of economic development is laden with its contradictions. In the papers that follow, we will be able to see how they are dealing with them.

# Opening Address: The Socialist Market Economy

**Wu Enyuan**

Today the scholars from the Central Translation and Compilation Bureau, the Academy of Marxism and Institute of Finance and Trade of the Chinese Academy of Social Sciences (CASS), and the People's University of China come together with scholars from the United States, Germany, Great Britain, Canada, Turkey, Ireland, and other countries to discuss the theory and practice of socialist market economies. A remark in the Analects of Confucius can best express what I feel now: "It is such a delight to have friends coming from afar!" On behalf of Academy of Marxism of CASS, I would like to extend my welcome to all of you.

The topic "Socialist Market Economy" is very significant. The economies of some socialist countries developed slowly when they thought that there were no commodities and markets under the socialist system. Other economies collapsed when in past years they adopted blindly the Western market economic system with disregard for their own situations and advocated privatization. So there is great significance for us in discussing our views of theory and practice related to this question.

With Chinese reform and opening-up to the world, we deepen the understanding of the socialist market economy. Deng Xiaoping, general designer of Chinese reform, said:

The essential disparity between socialism and capitalism does not rest on the ratio of plan to market. Planning does

not equal socialism, for capitalism has plans. Market does not equal capitalism, for socialism has markets. Both planning and markets are tools to develop the economy.

The Fourteenth Congress of the Communist Party of China (CPC) formally put forward the concept of establishing and perfecting our country's socialist market economy..

The development of our socialist market economy in the past thirty years has brought about a great change in our economic life:

1. The relations of production have been established with the state-owned economy remaining dominant and diverse ownerships developing side by side. Multiownership structure conforms to the development of the productive forces at the primary stage of socialism, which is a hopeful sign.

2. The market system has been basically formed. The market infrastructure has been improved. The monopolized sector and regional blockades are gradually being broken. Positive effects are achieved by rectifying the market economic order.

3. A new macrocontrol and regulatory system of the national economy has been set up, with measures ranging from the state mandatory plan and credit scale control to the comprehensive development plan or fiscal and monetary policies. Indirect regulation begins to play a main role. The emphasis of macroregulation shifts from intervention in the microeconomy to regulation of the total quantity of supply and demand, and from the expansion of speed and quantity to the improvement of quality, performance, and structure. More attention is paid to the coordinated development of the economy and society

4. Reform of the field of distribution is being gradually intensified. This pattern will continue. Distribution according to labor remains dominant, and diverse distribution modes coexist.

5. A social security system has been established. This social security system, consisting mainly of insurance for the elderly, age and unemployment and health insurance, is structured so as to be independent of enterprises.

6. Institutional reform and transformation of government functions have been carried forward.

In conclusion, by implementing a preliminary system of the socialist market economy, China has become a developing market economy country.

In the process of building a socialist market economy with Chinese characteristics, the following breakthroughs in theory have been made: First, we have broken through the absolute theory that planning is the basic characteristic of socialism. Traditional socialist theory totally puts planning, public ownership, and distribution according to labor as the basic characteristics of socialism. But now we recognize that both planning and the market are tools to build a socialist market economy.

Second, we no longer hold to the theory that a system of public ownership can be equated to its material forms. We recognize that in an economic system of public ownership, the means of production are owned by the whole people or by collectives, but the forms of its materialization are diverse.

Third, the theory that only private ownership is compatible with a market economy has been demolished. We recognize that public ownership is also compatible with markets. Moreover, not only is the distribution of resources optimized, but also that (through the combination of public ownership and the market) the polarization resulting from private ownership and insufficient effective demand can be avoided.

Fourth, we reject the Western economic theory that the function of state-owned enterprises is to offset market deficiency. The function of state-owned enterprises is not only to offset market deficiency but also to provide, together with collectively owned enterprises, the infrastructure of socialism. It guarantees that not only the superstructure and political power of society are socialist, but also that distribution is according to labor, and that political power belongs to the people. Western theory does not call for state-owned and collectively owned enterprises, no common prosperity for the whole people.

For almost thirty years, China has been setting up a preliminary system of a socialist market economy, but is still facing many problems.

1. The governmental function still cannot meet demands of reform at the new stage. At present, such aspects as administrative management, transparency and unification of policy, decrease of

administrative approval rights and microeconomic interference, public service for society, and economy should be promoted.

2. The reform of large-scale state-owned enterprises is more difficult than before. Such problems as unreasonable mechanisms, heavy social loans, and poor ability to innovate are still serious, especially in the unprofitable enterprises. Such aspects as operating mechanisms, pricing standards, and service quality of large-scale enterprise in monopolized sectors do not meet the demands of society as a whole and the individual consumers. Intensifying reform of the national economy is still the key factor in reforming the whole economic system.

3. The social credit system is very imperfect and chaos prevails in the market. The legal system is inadequate in providing supervision to rationalize the market order.

4. Loopholes in the social security system exist; old-age, unemployment, and health insurance systems are imperfect. The gap in income distribution is wide.

Moreover, obstacles between city and village are still severe. Many discriminatory policies face peasant-workers in cities in employment, education, residence, social security, etc.

Disagreements are widespread on the key points of theory innovation. For example, to what extent should the economy be regulated by state planning? Some scholars think that we need more planning; others, on the contrary, think that we should rely more on the market. As to the form of public ownership, some scholars think that all enterprises with stock systems (such as diverse stock-ownership companies) are publicly owned enterprises; others disagree on this point. Some scholars insist that only private ownership is compatible for the economy and that the national economy would be better off with less public ownership. Other scholars think that the ratio of public economy to national economy does not matter as long as the economy develops and people's living level increases. They believe that the number of state-owned enterprises does not determine whether the market economy belongs to socialism or capitalism.

We must continue to investigate all the problems mentioned here. In my opinion, public ownership should dominate the national

economy in quantity and quality if the economy of socialism is to achieve more rapid, continuous, and scientific development than that of capitalism and bring prosperity to the whole of society. Only in this way can the direction of the Chinese economy continue in the path of reform, and the socialist nature of the market economy be ensured.

One experience is fundamental in the process of thirty years of development of the socialist market economy in China. It is that China should move forward along a socialist road with Chinese characteristics and should be firmly guided by Marxism. Only in this way will a strong, prosperous, democratic, civilized, and harmonious country be built and a great revitalization of the Chinese nation be realized. It is our lofty duty to continue to research the new problems of the socialist market economy and the law of socialist development with Chinese characteristics. I believe that this conference is significant for us to deepen the understanding of the socialist market economy, to remove the misunderstanding of the socialist market economy with Chinese characteristics, to strengthen the confidence in building socialist modernization with Chinese characteristics, and to promote the theory of socialism and Marxism with Chinese characteristics.

Finally, I wish the conference a complete success and wish all of you a pleasant stay during the meeting.

*Deputy President of the Academy of Marxism  
of the Chinese Academy of Social Sciences.*

*Translated by Wang Zhongbao*

# Charting a Course to a New Global Economy

Patrick Loy

## *The need for a new global economic order*

We live in a world dominated by global capitalism. It has long become obvious that by its very logic capitalism will never lead to the kind of world for which socialists and other activists have been waging a prolonged struggle. Not only does capitalism provide few solutions to the many pressing issues of our time, such as the threats of ecological disaster, famine, and technology-impelled mass destruction (to name just three), but it actually exacerbates many of these problems. The need for a global economic system grounded in socialist principles has never been clearer.

Currently, the world is composed of an interconnected web of national economies consisting of assorted forms of capitalism, various types of market socialism, and other kinds of mixed economies. The international institutions that regulate the interplay between the states in this system primarily serve the interests of the advanced capitalist countries and thereby promote gross inequalities among classes, as well as among nations. By design, they exhibit little, if any, democratic decision-making, and instead make their decisions about the fate of the world and its economy behind closed doors.

I will briefly explore the notion that the concept of market socialism, along with what I will call the “global democracy movement,” could be the keys ultimately to create the kind of

global economic system that would represent a turning point in the realization of a socialist world order.

***The potential of the global democracy movement***

As numerous socialist writers have affirmed, socialism and democracy must go hand in hand. Moreover, there is clearly a worldwide yearning for democracy. Thanks in large part to modern telecommunications and mass media, people across the globe have become acutely aware of the disparities in vast wealth and quality of life that exist among both social classes and nations. Consequently, they want to have a say regarding the social, political, and economic forces that shape their lives. As David Schweickart says in a recent issue of *Nature, Society, and Thought*, “the driving force of the present era is the democratic impulse. . . . It is a hugely important *contingent* fact that democracy works” (2004, 297)

Historically, the success of democratic movements has been mostly limited to local and national domains where specific governing institutions could be targeted that have some accountability to the people. The lack of accountability of international institutions has made it difficult for mass movements to achieve success at the global level. The massive demonstrations of the past decade against the undemocratic policies of the international organizations that control so much of our lives, such as the World Trade Organization (WTO), World Bank and International Monetary Fund (IMF), however, have shown that there is significant potential in the fledgling global democracy movement. The massive protest which successfully stopped the meeting of the WTO in Seattle in 1999 gave rise to the World Social Forum and to several mass demonstrations across the globe against the policies of the international financial and trade institutions. The fact that these protests took place, along with the huge worldwide demonstrations against the Iraq war, is evidence that people can become energized to challenge the existing world order.

The future trajectory of the budding global democracy movement is unclear. Historically, there are ebbs and flows in antisystemic movements, and at the moment there seems to be a lull in activity. Part of the current abeyance might be because of a lack of specific action programs to energize and activate people. The slogan “another world is possible” has been embraced by many activists

in the movement, but the concrete programmatic actions needed to get to this better world are not very clear. It is to this end that I am offering some programmatic suggestions as to how we might begin charting a course to achieve the kind of world we want. It is heartening that many of the activists over the past decade have engaged in both local and international struggles, and it seems clear that the fight must continue at both of these levels. The ideas submitted below call for simultaneous actions on two fronts: replacing capitalism with market socialism at the national level, and building democratic institutions at the international level to form the infrastructure of a new global economy.

### ***Replacing capitalism with market socialism***

Market socialism seems to be a viable transitional economic form for capitalist countries. Several archetypical models have been proposed, many of which have significant merit. I will present here a brief outline of one such model, but let me emphasize that different countries could adopt diverse versions of market socialism, and it would have little impact on the two-front strategy that I suggested above.

A promising theoretical framework for market socialism is advanced in John Roemer's book, *A Future for Socialism*, and elaborated by Terry Boswell and Christopher Chase-Dunn in *The Spiral of Capitalism and Socialism: Toward Global Democracy*. This model uses existing economic structures (albeit highly reformed) and seems to provide the best way to insure that everyone benefits from the wealth generated by the national economy. Also, it facilitates both a rational, democratically controlled investment process, and a needed reform of the way transnational corporations (TNCs) do business in the global economy.

Building on Roemer's work, Boswell's and Chase-Dunn's blueprint of market socialism is centered on a "coupon" stock market and public banking system. Workers' income consists of two parts: the direct income from their labor, in the form of wage or salary, and profits obtained through the coupon market.

In this system every adult at a certain age is issued an equal number of nontransferable coupons to be used *only* to purchase

shares of mutual funds. The mutual funds invest the coupons (i.e., buy shares) in a set of various enterprises. Coupons may be withdrawn from a mutual fund and invested in another, but there are tight restrictions about coupon ownership. Coupons cannot be sold for money, coupons cannot be purchased with money (thus, rich people cannot buy up poor peoples' coupons), and coupons cannot be inherited (upon death, they are returned to the state treasury).

Through the coupon market, individuals receive a portion of the profits from the mutual fund portfolios in which they are invested. Therefore, everyone shares in the surplus produced by society. And, since coupons are nontransferable, everyone has at least some lifetime income.

When a mutual fund invests coupons in a firm, that firm exchanges the coupons to the state treasury for investment funds. Public firms thereby derive some of their financing through the coupon stock market. They also obtain a large proportion through loans from public investment banks, whose capital comes from savings. The socialist government plays a strong role in investment planning via differential interest rates.

Public firms are monitored for efficiency and profit maximization by the public investment banks that supply their financing, and by the coupon stock market. The boards of directors for public firms and banks are chosen democratically by investors on a strictly one vote per investor basis, thereby eliminating any preference for wealth.

***Distributing wealth to developing countries through stock ownership***

Boswell and Chase-Dunn introduce a scheme into their market socialism model that, over time, could have a significant impact on the developing countries in which TNCs operate. For each year of employment, TNC employees in those countries are given a certain number of shares in the company for which they work. As share owners, workers are represented on the board of directors through elections. This type of direct ownership would advance the benefits of productivity increases to workers, giving them a direct incentive to increase efficiency.

In this scheme, employees of TNCs in developing countries would directly benefit from high profits generated in their homeland. Over time, TNC employee share ownership would expedite the expansion of capital holdings to the developing countries. This would enable these countries to invest more in education and training, thereby increasing worker productivity, which, in turn, would lead to higher wages.

This employee ownership scheme immediately raises the incomes of workers without raising their wages, which would be of great importance for Third World development. It would allow wages to go up as worker productivity goes up, thus avoiding the capital flight and inflation that might result from immediate substantial wage increases.

### ***Building democratic international institutions***

Some voices in the global democracy movement are calling for the elimination of many of the existing international organizations, particularly the World Bank, IMF and WTO, because they serve the interests of TNCs and the wealthy elite rather than the world's people. While these specific organizations may or may not be beyond the bounds of meaningful reforms, there is a need for such institutions (operating on socialist principles) to regulate aspects of the global economy, and help begin the long process of redistributing wealth and promoting sustainable development.

Boswell and Chase-Dunn propose a socialist world bank which would be operated by a world federal system. World bank policies would strongly support the creation of state socialist investment banks within each nation. The relationship between the world bank and the state investment banks would be similar to the present Federal Reserve System in the United States. The world bank would have great influence over interest rates, and discounted loans to state investment banks could be used for long-term economic development, especially in developing countries. Lower interest rates could be used to increase investment in progressive social and environmental projects. The world bank would discount loans that invest in the developing countries in ways that link domestic suppliers with TNCs, which would help develop local economies.

There is also a need for a democratic international governing institution to administer important social functions, such as supporting international peacekeeping activities, providing certain “public goods” best delivered or coordinated globally (such as health programs), and defining and enforcing global standards for human rights and environmental conditions. This institution would be similar in concept to the United Nations. Of course the current UN is highly flawed, and heavily influenced by the interests of the advanced capitalist countries, especially the United States. However, one could imagine a much more democratic international body—perhaps a highly reformed UN, or a new body to replace it.

### **Conclusion**

Moving toward a socialist world order is a pressing priority. Consequently, more discussion about transitional forms of local and global economic structures needs to take place, along with analyzing potential scenarios of action. We have briefly looked at the idea of converting national capitalist economies to market socialism, and establishing democratic international institutions as the infrastructure of a new global economy. This game plan, and others, need to be carefully analyzed and debated. Regardless of which plan is implemented, a protracted struggle involving a broad array of progressive forces, including the global democracy movement, will be required to accomplish the task. These forces will need to become energized around a vision of a new world order and work toward specific objectives at both the local and international levels.

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# **Fundamental Characteristics of the Socialist Market Economy**

**Cheng Enfu**

It is very significant that the Chinese central government, drawing on domestic resources, has not only recently put forward the policies of scientific development and the improvement of creativity but has also advanced the construction of a harmonious socialist society. The idea of a harmonious society embodies six areas—politics, law, culture, institutions, society, and ecology—all of which should be democratic, law-governed, equal and fair, creditable and friendly, full of vitality, safe and orderly, and harmonious between humans and nature.

The Chinese economy has increased rapidly since the reform and opening-up in 1978. The Chinese gross domestic product (GDP) in 1978 was RMB 364.5 billion [7 renminbi—abbreviated RMB—was approximately equal to one U.S. dollar at the time this article went to press—Ed.]. It grew to RMB 18.396 trillion in 2005. The average annual growth rate grew 9.7 percent from 1978 to 2005. The GDP in 2005 was more than fifty times that of 1978 (adjusted to 1978 values); taking the GDP in 1978 as 100, the GDP in 2005 was 1204.4, that is, more than twelve times as much as in 1978. Chinese GDP per capita was RMB 381, and increased to RMB 14,040 in 2005, more than thirty-six times as much as in 1978; adjusted to 1978 values, the per capita GDP in 2005 (878.9) is more than eight times as much as in 1978 (100).

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The Chinese population grew rapidly from 962.59 million in 1978 to 1.308 billion in 2005, an increase of 344.97 million. The Chinese GDP in 2006 increased by 11.1 percent over the past year, to RMB 21.087 trillion. Chinese foreign exchange reserves reached 1.333 trillion U.S. dollars by the end of June 2007. The total value of imports and exports of the last half year of 2007 reached 980.93 billion, and is predicted to exceed 2000 billion for the whole year. Although China has made great achievements, we should note many unharmonious phenomena in our society, try to understand their causes, and then look for institutions and mechanisms to resolve them; we must try to construct a harmonious socialism in institutions and in nature. Four types of economic arrangements are urgently needed to establish the economic basis of a harmonious society.

***Predominance of publicly owned property***

Of the various types of property systems, publicly owned property should be the principal one. Privately owned property, both domestic and foreign, should be developed on the condition that the publicly owned economy is the main part, both in quality and quantity.

Socialism should not be idle talk. As Deng Xiaoping said, socialism has two principles: one is that the economies with various types of properties develop together, of which publicly owned property is a main part. The other is that all people become rich; polarization does not exist. The two principles are deliberately ignored in some descriptions of reform, especially when it is deliberately denied that the main component of the entire economy is the publicly owned sector, which is the fundamental property relationship in a socialist economic system. In some mass media and academic conferences, we see it alleged that the privately owned sector has been the base of the national economy. In fact, the central government has made the decision that the privately owned economy should develop together with the publicly owned economy on the condition that the public sector—not the private sector—is the main part of the whole economy.

Jiang Zemin, in his article “Strengthening and Promoting the Economic Base of Socialism” in the third volume of his *Selected*

*Works*, emphasizes that “if the publicly owned economy (of which the state-owned sector is the core) does not form the economic infrastructure of socialism, the leading role of the Communist Party and the socialist superstructure would lack a material economic infrastructure. Officials at all levels, especially high-ranking cadres, must have a clear and profound recognition of this point. Small decreases in the proportion of public ownership should be limited and have the precondition that they not affect the status of publicly owned enterprises playing the dominant role as the main part of the national economy. Every province, district, and city must manage and control many large and middle-scale enterprises to regulate the domestic economy and social development.”

The proportion of the Chinese nonpublicly owned economy has surpassed 50 percent, according to new statistics. The proportion of the domestic privately owned economy of Mainland China is about 38 percent of GDP; the proportion of the GDP from foreign direct investment (FDI) and the investments from Hong Kong, Macao, and Taiwan is 15 percent of the GDP of Mainland China; bringing the total to about 65 percent of GDP. However, the proportion of the privately owned economy is still increasing, while that of the publicly owned economy is still decreasing. We observe that although the state-owned economy’s control ability weakened quickly, and state-owned enterprises in some provinces and cities have even disappeared, such reform is praised as a model for China.

Domestic and foreign academic circles think that the capital structure, employment structure, GDP structure, tax structure, foreign trade structure, etc. should be based on *a system of various types of property ownership with publicly owned property being the main component*. Various kinds of ownership, main and supplementary, should continue while they develop together. While the private sector should not simply be prevented from becoming stronger, too high a proportion of private ownership would necessarily result in a series of economic phenomena such as unemployment, ultimately resulting in lack of social harmony. This is the cause for ten years of retreat in the Soviet Union and Eastern Europe, ten years of losses in Latin America, ten years of slow development in Japan, and ten years of stagnation in Europe and the United States during the 1990s.

The forty-nine poorest countries (also called the Third World) did not become richer; they became even poorer according to United Nations standards. Joseph E. Stiglitz also considers that neoliberal theory and policy, including the myth of private ownership, led to economic disharmony and various economic crises in the Soviet Union, Eastern Europe, and Latin America.

The whole world, including China, must urgently rethink and overcome neoliberal conservative ideas to revive and develop their economies. It is necessary for us to criticize neoliberalism in order to maintain the reform direction of the socialist market economy.

***Multisector distribution system in which distribution according to labor is the main part***

In our multisector distribution system, distribution according to labor is the dominant part—that is, the income is basically according to the quality and quantity of labor. The owners in the various sectors obtain their distributions on the basis of their property ownership. Economic fairness can promote economic efficiency, and economic fairness is as important as economic efficiency.

The market economy plays an important role in resource allocation, especially in competitive areas, but it is imperfect and unable to maintain a comprehensive macroeconomic balance, a correct relationship between competition and monopoly, protection of resources and environment, and a socially fair distribution, among other aspects of distribution.

The Chinese income gap, as measured by the Gini coefficient of 0.46 (calculated with five equal populations), is very wide, much wider than in some developed countries. The polarization in possession of social wealth, however, should cause most concern. Why did the gap in income and wealth become wider in past years, in spite of opposition and controls? The reason was ignorance of the fact that the ownership reform, including the granting or sale of public assets cheaply, must result in this tendency of distribution. Here the central government must pay more attention to social equality and fairness. Measures should be taken, both in property and distribution, to reach distribution harmony by raising low

incomes, enlarging middle incomes, adjusting high incomes, and prohibiting illegal income.

***Market system structures regulated and controlled by the state***

The state regulates and controls the structures of the market system, which is comprised of various levels and directions. The market plays a full and basic role in resource allocation, and at the same time the state plays a full role in regulating and controlling the market with transparency, democracy, and efficiency.

Scientific reform of the market is different from indiscriminate reform. Chinese reform of socialist self-perfectibility is not a simple reform of the market, but a reform with the aim of constructing a socialist market system. The central government's documents never said that our country was practicing a simple reform of the market. Moreover, the reform and opening-up that the documents mention are always connected with insisting on four fundamental principles (the socialist road, people's democratic governance, the CPC's leading role, and the foundations of Marxism-Leninism and Mao Zedong Thought). The adjective *socialist* is always inserted before the words "market economy." The main content of the word *socialist* is that the publicly owned economy is the main part of whole economy. The "reform to market" to which some papers and books refer is an abbreviation that omits the entire meaning of "reform to socialist market." Advocates of neoliberalism utilize this deceptive abbreviation in order to distort and mislead about the true nature of the reform. The market economy is close to 80 percent of the total economy. Some wish to reduce all economic life to the market, and think that the market is all-powerful—they even wish to market social life, cultural life, and state political life, to remove planning from the socialist market economy and from every realm of the economy and society. It is ridiculous to be infatuated with the market and to abandon planning or regard planning as a forbidden zone. As a whole, we should respect the market, but not be addicted to the market. We should not be infatuated with planning, either, but at the same time not abandon planning, which are the human innovative measures for regulating the economy.

I agree with Professor Liu Guoguang, the distinguished Chinese economist, that plans of regulation under the conditions of the socialist market economy are not command plans, but guiding and strategic plans. The Chinese Eleventh Five-year Plan has been changed to the Chinese Eleventh Five-year Project, but the project is the same as the plan, which is also a guiding and strategic plan. The project should include essential targets, programs, and command tasks that must be completed in addition to guiding policy, such as large-scale projects of middle-length term, high technology and top scientific progress, environmental regulation, etc. There should be command or constraint indices even in short-term plans of investment against economic cycles and in the measures of regulation and control for smoothing economic cycles, such as policies of finance, taxation, and money. So we should not completely reject command plans. At present, planning consists of merely assembling a collection of proposals, where few targets and tasks that actually must be carried out are stipulated, and there is no accountability regarding whether or not plans are implemented. This type of planning needs improvement.

The central government is now emphasizing continuing the reform in scientific and coordinated manner. The failure of state regulation must be made up for by the good functioning of market regulation, and the failure of market regulation should be compensated for by state regulation. A dual regulation mechanism is needed in which the market plays a fundamental role, and the state plays a guiding role in the national economy. Social and economic harmony may come into being this way. Why are there such phenomena as appeals to higher levels of government, riots, crimes, and social imbalance? Simply because state regulation is lacking or not appropriate. Some serious questions exist in the manager-buyout of publicly owned enterprises in past years. These questions give rise to discontent and disharmony in every social class. Thus the lag in, and injudiciousness of, governmental regulation is clearly established. Nobody denies that property reform should be practiced, but the law of the market should not be subjectively violated.

***Opening-up and retaining reliance on domestic forces***

The opening-up of the Chinese economy is multidirectional, emphasizing self-determination. This means that the relation between development by depending on internal resources and importing foreign technology and capital should be dealt with appropriately. Economic development is to be promoted mainly by domestic needs; foreign needs should be only a helpful supplement. The mode of economic opening-up should be changed from simply increasing quantity to the pursuit of efficiency and quality.

We should be concerned that our opening-up process is moving toward the mode of depending more and more on foreign countries. The degree of dependence on Chinese foreign trade (the ratio of the total value of imports and exports to GDP) tends to increase: it was only 9.7 percent in 1978, but reached 65.6 percent in 2006, of which 36.1 percent were exports and 29.5 percent imports. The main part of Chinese foreign trade is assembling, with the beginning and end outside the country, so the domestic sphere does not add much additional value. The proportion of the assembling trade to the total value of Chinese exports is 54.7 percent; the proportion of general trade is only 41.3 percent. Foreign-funded enterprises, however, have played a main role in Chinese foreign trade. The proportion of imports and exports by state-owned enterprises to the total was 70.2 percent in 1994; for others it was 29.8 percent including foreign-funded and collective-owned enterprises. The state-owned enterprises' share went down to 28.6 percent, but the foreign-funded enterprises rose to 57.5 percent in 2004. The total value of Chinese high and new technology exports increased from \$US24.7 billion to \$US218.25 billion during 1999–2005, which is a 7.8-times increase, but the exports of Chinese high and new technology depend seriously on foreign countries. The proportion of exports of general trade is decreasing and the proportion of exports in the assembling trade is increasing. The value of high and new technology exports in the assembling trade in 2002 is \$US60.63 billion (89.3 percent of the total value of high and new technology exports), an increase of 20 percent in comparison with 1993. The foreign-funded enterprises play a dominant role in the export of high and new technology, their proportion of the total

high and new technology exports was 82.2 percent in 2002. The actual investment value of foreign-only investment enterprises surpassed other foreign direct investment in 2001. It is still increasing in proportion and quantity, and is becoming dominant. The value of FDI was \$US60.325 billion in 2005, including 42.961 billion of foreign-only direct investment. While foreign investment brings about an increase on job opportunities, it squeezes out the development of national enterprises.

Foreign investment enterprises have achieved monopoly positions in car manufacture, communication manufacture, and the cosmetics industry, etc. and gained huge profits from China.

Therefore we should develop national enterprise groups and national transnational companies that control shareholding, technology, and trademarks, especially famous brands based on a combination of comparative advantage and competitive advantage. We should emphasize promoting and producing an advantage in intellectual property, so that China becomes a world manufacturing plant, not a world assembly plant, as soon as possible, completing the transition from a country of huge trade to a country of strong trade and a strong economy. Opening-up concepts and paths to technological development that protect foreign intellectual property only, and not the creation of self-owned intellectual property are unwise. Also unwise are the notions that national enterprises should only be merged and acquired by foreign international companies, rather than the contrary, that foreign capital, technology, and trademarks are to be imported continuously, and that only the positive results of research and development institutions belonging to transnational enterprises in China are to be highlighted, not the negative effects. This thinking (“crawling opening-up”) caters to the technology strategy of dominant countries’ colonialism, and does not promote national economic quality and the coordinated development of the domestic and foreign economies.

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*Translated by Wang Zhongbao*

# **The Labor Movement and Higher Education: Developments in China and Greece in the Context of Globalization**

**Alexandros Dagkas**

In the European Union, the Bologna Declaration, signed in June 1999, was a focused attempt to restructure education with the adoption of a common framework for the flexible organization and functioning of institutions of higher education. One immediate goal was, and still is, the adjustment of public or state-owned universities to the more general reformations of the European economy and of labor relations. These changes reflect the philosophy that there is a natural link between public universities and the demands of economic development that dictates a change of profile to a type of organization characterized by the criteria of the business world. Abandoning the classical premise that university education is a public good freely offered by the state, the responsibility for ensuring the financing of public universities is transferred to the academic community and the cost of financing to the consumers, the students (Aspragkathos 2002, 57–61). Such a framework effaces the differences between the public and private sector and creates possibilities for capital investment. One result of this new perception of education is the adaptation of programs of studies and their harmonization on a different level, that of training, which would dissociate the degree from the profession. According to this new train of thought, the main characteristics of this new

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university reality, in the framework of the knowledge society, will be open accessibility, open entrance, and an open exit as well, meaning that graduating and receiving a degree will no longer be linked to official recognition and professional security. The new type of graduates will have a scientific education for which they will be obliged to receive retraining in the future (“lifelong training”). This adjustment was in fact already a reality, with the evaluation of the professional competence of degree holders based on their actual qualifications, which were determined by the labor market (Varoufakis 2001, 51–58). The argument proposed by the new theories on education was, therefore, from the beginning, that the adaptation of studies to the demands of the labor market would ensure profitable employment for university graduates.

Greece, a small country with a population of twelve million, is a member of the European Union with a notable place in the capitalist system (ranked thirty-sixth in the global economy index based on gross national product). Nevertheless it has not yet adapted to the aforementioned directives on education. The resistance expressed by various social and political forces has established Greece as the final bastion of the traditional public university. Greece’s academic community has unequivocally rejected the government’s proposal to institute private higher education alongside the public sector.

Into an environment of protests and demonstrations by students and professors, often ending in violence, come the reverberations of the cataclysmic changes that have occurred in China in the area of higher education over the past ten years. The institution of the private university was introduced into the education system of the People’s Republic of China in the early 1990s, initially with only a few institutions, each with a handful of students, and has resulted (remarkably, like so much else in China) in over twelve hundred institutions, of which some fifty have as many as thirty-five thousand students (Lin 2006, 16–17). Such numbers are, of course, inconceivable by European standards.

The policy of the Communist Party of China, setting aside its traditional perceptions with regard to education, favored an amendment to state legislation that welcomed the founding of





















































































































































