SOCIALIST POLITICAL ECONOMY WITH CHINESE CHARACTERISTICS AND RESEARCH ON THE CHINESE AND FOREIGN ECONOMIES

A Survey of the Viewpoints Expressed by the New Marxian Economics Synthesis School in 2021

Xia Lu and Xiaoqin Ding

Abstract: In 2021, responding to changes in the world political and economic situation and basing itself on Marxist political economy, the New Marxian Economics Synthesis School led by Professor Enfu Cheng carried forward its traditions and forged ahead into the future. The school conducted active, in-depth research on how to uphold the integrity of socialist political economy with Chinese characteristics and enrich it with new elements, putting forward a series of theoretical innovations in areas that include the ten essentials of socialist political economy with Chinese characteristics, its sources of innovation and logical starting point, the orientation of its practice, and so forth. Based on these theoretical innovations, many of the scholars who make up the school engaged in lively discussion on a range of focal issues of today’s Chinese economy, including common prosperity, the new “dual circulation” development pattern, artificial intelligence and the digital economy, the modernization of national governance and so on. In addition, they made searching criticisms of the financialization of the contemporary capitalist economy and of the new developments seen in liberalism and hegemonism since the COVID-19 pandemic broke out. In sum, they recorded a long series of fruitful theoretical achievements.

Key words: socialist political economy with Chinese characteristics; Marxist political economy; contemporary capitalist economy; the New Marxian Economics Synthesis School

DOI:10.13169/worlrevipoliecon.13.4.0476
In 2021 the New Marxian Economics Synthesis School, whose leading figure is Enfu Cheng, Chief Professor of the University of the Chinese Academy of Social Sciences and Member of the Chinese Academy of Social Sciences, continued to move forward, showing keen academic enthusiasm, a rigorous academic attitude and a broad academic vision. Scholars adhering to the school discussed the theoretical and practical problems of Marxist economics, socialism with Chinese characteristics in the new era and the contemporary capitalist economy, while publishing many articles that featured original views and profound contents. Maintaining their proud tradition, the scholars continued making important contributions as they brought fresh innovations to policy research and to the theory of Marxist political economy.

Socialist Political Economy with Chinese Characteristics

In response to President Xi Jinping’s call to strengthen the study of socialist political economy with Chinese characteristics, Professor Cheng and his academic team published some important and innovative ideas.

Ten Essentials of Socialist Political Economy with Chinese Characteristics

In a significant contribution, Professor Cheng (2021a) pointed out that socialist political economy with Chinese characteristics needs to carry out substantive development and innovation in the areas of methods, theories and policies through the comparative analysis of diverse ideas and practices, while constructing a variety of theoretical systems. Referring to the theoretical logic of Marx’s *Capital*, Professor Cheng summarized ten essentials of socialist political economy with Chinese characteristics.

First, it is necessary to comprehensively and accurately interpret classical Marxist writers and the leader’s ideas, as well as to incorporate all kinds of useful economic ideas from ancient and modern, Chinese and foreign sources, so as to scientifically lay the academic foundation for socialist political economy with Chinese characteristics. This should be done while taking Marxism-Leninism and Chinese economic theory as the guide, and as the style of study, the remarks by former Vice-Premier of China’s State Council Chen Yun, “practice is the only standard for truth, rather than theories from the books or words of the authority” and “exchange, compare and repeat.”

Second, and while taking the economic relationship or economic system in the material and cultural fields of primary socialism as the objects of study, it is essential to examine the allocation of resources, economic operation, economic behavior, economic development and human welfare, etc., in association with the productive forces or economic forces and superstructure.
Third, there is a need to construct a system of methodology consisting of “Marxist values aided by modern Western ideology and based on traditional Chinese values.” This should be founded in historical materialism and dialectical materialism, and should insist on the main rules and categories of materialist dialectics as well as of other methods such as mathematical theory, system theory, control theory, game theory, evolution theory, field theory and traditional methods of thought. The aim should be to reveal the characteristics and laws of economic development and of the changes it undergoes, thus forming a methodological system of “Marxist values aided by modern Western ideology and based on traditional Chinese values.”

Fourth, scholars should set out to reveal the distinct economic laws of primary socialist society, making this their principal research task at the present stage. The emphasis should be on revealing the laws that govern economic relations at the basic level of the economic system.

Fifth, it is completely necessary and reasonable to take the study of public and private commodities and their internal contradictory movement as the starting point. This too is completely consistent with the methodology of Marxian economics.

Sixth, it is necessary to take labor as the research meta-concept and the theory of public surplus value as the main line of investigation; that is, to derive the concept of surplus labor from the concept of labor, then to derive the concepts of surplus products and surplus value, and finally the concepts of profit, interest and land rent.

Seventh, scholars need to take the relationship between subjective public capital and free union labor as the research axis, opposing the doctrine of “ownership neutrality” and the contention that the communist government should adopt a neutral position that transcends class policy.

Eighth, there is a need to ensure that researchers take as their basic position safeguarding the fundamental interests of the working class and working people; to call for the rights and interests of the broad masses of working people always to be given top priority; and to insist that the working class and working people should be truly central, rather than following the principle of Western economics that “the private oligarchy is supreme” and “the monopoly bourgeoisie is central.”

Ninth, it is necessary to ensure that the purpose of research is to help guarantee that the increasing need of the people for a good life is reliably met, and to argue that socialist public ownership enterprises producing new value and public surplus value should serve the production of use value. These enterprises should respond to the people’s subjective wants, and their production should be oriented toward the people’s livelihoods. In this way, the principal social contradiction between the people’s growing demand for a better life and the inadequate and imbalanced nature of development can be relieved.
Tenth, it is essential to make the principal guideline for research on the quest for improvements to the socialist economic relationship, so as to promote the development of the productive forces and the modernization of the superstructure. This should be done while calling for research into social and economic relationships at the basic level of the social framework, closely addressing people’s needs. At the same time, it is necessary to study the productive forces and superstructure, and to conduct research on the interactions between the three sets of contradictions in primary socialist society, on their positive and negative effects and on their processes of conflict and adaptation, so as to finally promote the modernization of the productive forces and superstructure and the overall security of the country through interactive and mutually reinforcing reform and adjustment.

In short, it is only by grasping the above ten essentials that we can really promote the best development of the self-consistent logic of socialist political economy with Chinese characteristics.

The Innovative Source, Logical Starting Point and Theoretical Model of Socialist Political Economy with Chinese Characteristics

In their article “Keep the Tradition But Innovate in order to Constantly Develop the New Ambit of Marxist Political Economy in Contemporary China,” Cheng and Niu (2021) pointed out that it is practice that provides the source and power behind theoretical innovation, and that the great practice of building socialism with Chinese characteristics in the new era provides rich soil for innovation in the theoretical field. Consequently, we should not only strengthen our basic research into relevant theories and build up a system and structure of socialist political economy with Chinese characteristics, but also absorb the research methods of various disciplines and carry out comprehensive innovation on the basis of reference to and interaction with various schools of economics, while at the same time launching concerted struggles against various ideas that even if popular, are wrong.

Duan and Cheng (2021) researched the methodology of the logical starting point of Marxist political economy and established that the logical starting point for socialist political economy with Chinese characteristics was the commodity. Their article noted that in 1857 Marx’s exposition on the methods of political economy in *An Introduction to the Critique of Political Economy* provided scientific methodological guidance for choosing a logical starting point and constructing a theoretical system of socialist political economy with Chinese characteristics. This system followed the narrative method of proceeding from the abstract to the concrete, insisted on the unification of logic and history, and distinguished the starting points of research and logic as well as those of philosophy and economics. It established that the logical starting point for socialist political economy with Chinese characteristics was the commodity, and stressed the need to analyze the
nature of commodities produced in public enterprises. This system would not only comply with the internal logic of the socialist market economy, but would also contain the germs of the contradictions in the primary stage of socialism, and would aid in charting the main line of the logic of socialist political economy with Chinese characteristics.

In addition, in an interview, Professor Enfu Cheng (2021b) looked back on 500 years of world socialism from the grand perspective of world history. He pointed out that the 500-year course of world socialist thought and development could be divided roughly into five periods: utopian socialism; the period of the scientific socialism founded by Marx and Engels; the October Revolution led by Lenin and the transition to socialism; the socialist period initiated by the Soviet Union and China; and the primary stage of socialism with Chinese characteristics since reform and opening-up. These five periods, Professor Cheng stated, could also be summarized into four modes according to their theory and practice, that is, utopian socialism and its practice; scientific socialism as practiced by Marx, Engels and Lenin; planned socialism as practiced by Stalin and Mao Zedong (including the wartime communist policy); and market socialism, including the Soviet New Economic Policy and the practice of market socialism in China under Deng Xiaoping. These divisions provide a theoretical basis for us to establish our research objectives and define the tasks of socialist political economy with Chinese characteristics from a more macro perspective.

Theoretical Innovation in Socialist Political Economy with Chinese Characteristics, and the Practice of Economic Modernization

Song, Wei and Qian (2021) argued that the success of socialist political economy with Chinese characteristics in both carrying Marxist political economy forward and introducing innovations to it in a consistent, logical fashion represented a major achievement of our era. It proved possible to effectively define the working principles of the socialist market economy and then to promote the modernization of China’s socialist economic construction, maintaining a high level of quality. The article also discussed the logical dilemma faced by structural innovation within the theoretical system of socialist political economy with Chinese characteristics, and called for further innovative development in this field. According to these authors, socialist political economy with Chinese characteristics should inherit and develop its historical logic and practical basis, with the fundamental political objective of meeting the interests of the working class by providing a theoretical foundation that can aid in promoting the comprehensive implementation of common prosperity.

Tan and Yao (2021) argued that the socialist market economic system, involving diverse forms of ownership but with public ownership as its main component,
and with a range of forms of distribution but with distribution according to work
as the main element, is based on the theory of Marxist political economy, on the
practice of constructing socialism with Chinese characteristics, and on the general
law of development of the economic system and the world market. The objective,
the authors stated, is to carry forward the process of innovation in Marxist political
economy and socialist theory with Chinese characteristics, and to secure their con-
tinuing development.

Zhang and Yu (2021) put forward an analysis based on the report “Suggestions
on the Second Five-Year-Plan for Developing the National Economy,” delivered
by former Premier Zhou Enlai at the 8th National Congress of the CPC on September
16, 1956. These authors explored a great deal of important economic theory and
practical experience, such as the need for the rate of industrial growth in the area of
the means of production to be higher than that for the means of consumption; the
need to deal with the phenomenon of overproduction through relying on a reason-
able production plan; the need for labor productivity to grow faster than workers’
wages; the need to make the development of agriculture the basic condition for
completing economic plans; and the question of how to develop the free market
appropriately under national leadership, while continuously implementing a system
of strict economizing. Fundamentally, these issues point to the need in the course
of socialist construction to correctly address the dialectical relationships between a
wide range of contradictions: between heavy and light industry, agriculture and
industry, economic and cultural construction, accumulation and consumption,
national construction and people’s livelihoods, central and local government, and
coastal and inland areas. The suggestion was made to push forward the five-year
plan during the 14th five-year plan period, and to make the growth rate conform to
objective economic laws so as to promote the balanced economic development of
different regions, implementing concepts of coordinated development and solving
livelihood issues on the basis of development. Liu and Zhou (2021) sought to
develop the concept of use value in Marxist political economy and to explore issues
such as the effect of needs and use value on the exchange of commodities. This was
of great theoretical and practical significance.

Fu (2021) pointed out that the key question in reforming the economic system
is that of how to understand and deal with the relationship between the govern-
ment and the market, something that represents a difficult economic problem
throughout the world. The Western capitalist countries pursuing neoclassicism
and Keynesianism have been unable to come up with an optimal solution giving
full play to the role of both government and market, even falling into the dilemma
of “inferior combination.” Nor were the Soviet Union and the Eastern European
countries that in the past adhered to the traditional planned economic system able
to achieve this goal. As a century-old party that combines the basic socialist
system and the perspectives of historical materialism with the market economy, the Communist Party of China does not engage in abstract disputes over whether China’s system is peculiar to “capitalism” or to “socialism.” Nor does the party engage in compromises one way or another, but instead examines reality on the basis of materialist dialectics. It takes its lead from practical epistemology, and does not follow in the footsteps of others, but builds a new governance system consisting of the trinity of “party, government and market.” Within this system the “effective market” conforms to the purposes of socialist production, while the “promising government” observes the people-centered philosophy of development. The effect is to promote a “revolution in terminology” based on the theory dealing with the relationship between government and market, and to contribute to theoretical development and innovation in the field of socialist political economy with Chinese characteristics in the new era.

Research Professor Xinning Zhang argued that in the course of its 100-year history the Communist Party of China, which led the Chinese people’s revolution, construction and reform, had systematically pushed forward the process of innovation in the Marxist scientific and technological economy. The party had made important theoretical contributions to Marxist political economy, embodied in the following four aspects: first, the focus had been successfully shifted from philosophy to political economy; second, the transition had been achieved from “explaining the world” to “remolding the world”; third, innovation in science and technology had been shifted from its auxiliary status to its present dominant status; fourth, the main competitive weapons had ceased to be products and had become science and technology. It can thus be said that during the 100-year history of the CPC the theoretical question of the status and role of scientific and technological innovation in political economy has generally been answered, and that a new realm of socialist political economy with Chinese characteristics has been opened up (X. Zhang 2021).

Zhou (2021) argued that the existence of “capital” in the socialist economy with Chinese characteristics was an objective fact. Socialist capital not only has the general nature of capital—that is, a drive for self-proliferation—but also possesses special properties that are different from capitalist capital. Zhou’s paper investigated the category of “capital” from the perspective of Marxist political economy, and probed into the objective basis of the existence of “capital” in the socialist economy with Chinese characteristics. Starting from two clues, that is, the control of labor by capital and the compensation of labor by capital, Zhou described the specific nature of state-owned capital, collective capital and private capital. His conclusion was that at the present stage the external compulsion exercised by capital over labor still applied, but that the three types of capital had different purposes in controlling labor, employed different forms for compensating
labor, and compensated it in differing degrees. Therefore, these three types of capital could be regarded as “special” and “individual” capital. Finally, and from the perspective of formulating enlightened policies, it is of great practical significance to give full play to the role of public ownership as “universal enlightenment,” correcting the general nature of capital as a mechanism for the extraction of profit and so preventing it from expanding in disorderly fashion.

Studies of the Current Chinese Economy

On Common Prosperity

First, it is necessary to explain the meaning of common prosperity and the existence of five modes of distribution. Analyzing the four-dimensional logic of realizing common prosperity, Wu and Cheng (2021) put forward five “distribution modes” that promote common prosperity. These are respectively the decisive distribution mode of “domination by labor and assistance by capital” (i.e., distribution according to labor as the main body and distribution according to capital as the auxiliary method); the supplementary distribution mode “according to national law and policy” (i.e., taking distribution according to national laws, regulations and policies as the auxiliary method, which could affect primary distribution and redistribution at the micro level); the “price change” mode of regulating distribution (i.e., taking changes in the prices of consumer goods and labor as the factors affecting wealth and income distribution); the “capital market” mode of the expansion and contraction of distribution (i.e., changes in the prices of securities, bonds and other assets traded in capital markets affect the wealth and incomes of market participants); and the minor mode of the replenishing of distribution through “donating to the poor and weak” (i.e., encouraging qualified individuals and other property-owning entities to donate to the poor, the weak and the victims of disasters).

Ding and Gu (2021) also pointed out in \textit{Guang Ming Daily} that it was necessary to have a deep and comprehensive grasp of the theoretical basis, institutional guarantees and practical measures involved in “common prosperity.” First, “common prosperity” is an essential requirement for socialism and an important feature of Chinese-style modernization. Second, it brings prosperity to all the people, both materially and spiritually. Third, what it involves is neither the prosperity of just a few people, nor uniform egalitarianism. We need to promote common prosperity in stages. At the same time, it must be guided by Marxist theory, with public ownership as its foundation and with highly developed social productive forces as its material base. A wide range of measures should be put forward in order to realize “common prosperity,” such as increasing the balance, coordination and inclusiveness of the economy, improving the income distribution structure, strengthening
the provisions for poverty alleviation, adhering to the bottom line of “common prosperity,” and so forth.

Taking up the question of how Marxist thinking on common prosperity has evolved, Liu and Duan (2021) set out to explore the theoretical and practical debates conducted on the material basis, systemic premises and implementation paths for common prosperity. They examined the contributions made to these discussions by Marx, Engels, Lenin, Stalin and since the founding of the new China, by such leaders of China as Mao Zedong, Deng Xiaoping and Xi Jinping. Finally, the article emphasized that the fundamental premise of common prosperity was maintaining the dominant position of the public economy.

Shu (2021) commented on the spirit of hard struggle that had been displayed in the battle to achieve social equity and common prosperity over the past 100 years since the Communist Party of China was founded. The article pointed out that at the very beginning of the process that saw the founding of the Communist Party of China, the elimination of class oppression and the realization of human liberation were written into the party’s program. These objectives have always been adhered to as the ultimate and fundamental goal of socialism. During the era of revolutionary war, the struggle of the Chinese communists was first reflected in their pursuit of the most basic political rights needed to achieve social equity, before the struggle finally achieved the victory of the revolution. Meanwhile, the practice and theoretical exploration of social equity during the Jinggangshan revolutionary base period and the Yan’an period had allowed the communists to accumulate basic experience for socialist construction. In the early days after the founding of the People’s Republic of China, the understanding that had been gained of the concept of social equity created an essential, fundamental political premise and the systematic foundation required for its practical realization. Since the reform and opening-up, the Communist Party of China has developed an ever deeper understanding of social equity, and the CPC’s practice in this area has constantly improved. The fifth plenary session of the 19th Central Committee of the Communist Party of China put forward solid proposals for promoting common prosperity, and named comprehensive social progress and furthering all-round human development among the long-term targets for the period until 2035. This demonstrates the distinctive character of the Marxist view of social justice within the CPC, and the great advantages of building a people-centered socialist system under the CPC’s leadership.

Scholars also focused on the specific paths and policies required for realizing common prosperity. Cheng and Wu (2021) stressed that the income gap between rich and poor had become too great, while the number of people in the middle-income category had become steadily smaller. Accordingly, these authors put forward three basic principles for social policy aimed at promoting common
prosperity at all levels. The first of these involved establishing the concept of common prosperity, common sharing and common well-being; the second consisted of examining the relevant policy arrangements from the two angles of material object and value; and the third involved presenting socialist common prosperity as an advantage of the system in the context of ideological competition. Basing itself on these approaches, the paper put forward specific policies for achieving common prosperity, concentrating on three aspects. First, it called for promoting common prosperity through distributing bonuses paid for out of the returns on state-owned assets. That is, boards of directors should present yearly profit-sharing plans to the shareholders, including investors in state-controlled assets. Bonuses should be paid with the approval of the general meeting of corporate shareholders, subject to meeting the requirements of the sustainable development of the enterprise and while respecting the shareholders’ interests. The second aspect consists of revising fiscal and taxation policy, making adjustments and completing the change of the basic tax unit from the individual to the household. As soon as possible, a progressive tax system should be set up based on a distinction between the effects of labor and non-labor factors on incomes, while at the same time introducing higher tax rates in areas such as exit tax, inheritance tax and capital gains tax, and while preventing the transfer of assets abroad through offshore trusts. Third, compulsory high school education should be implemented, along with free medical care and housing policies conducive to common prosperity. Real estate taxes should be levied based on incomes and housing prices in different regions.

Song (2021a) discussed how to promote common prosperity between industries from the perspective of industrial distribution. She argued that the development of high-quality industry aimed at common prosperity should be supported by a modern productive system with up-to-date agriculture, advanced manufacturing and modern service industries as its core, and with new high-technology and strategic emerging industries at its cutting edge. In view of this, she suggested focusing efforts on the following three areas: first, continuing to promote agricultural and rural modernization and rural revitalization; second, effectively promoting the high-quality development of manufacturing industry; and third, developing the service sector in line with the real economy.

**On Building a New Pattern of Development Featuring Both Domestic and International Circulation**

Cheng and F. Zhang (2021) first presented a comprehensive political and economic analysis of the new development pattern summed up as “dual circulation.” Their article began by analyzing a number of domestic and international factors that urgently need to be addressed if China is to construct a new development pattern.
pattern. Then, from the perspective of production, exchange, distribution and consumption, it analyzed the significance of the domestic and international cycles and the dialectical relationship between these two aspects. It pointed out that we need to construct a new development pattern with the major domestic cycles as the main substance and with both the international and domestic cycles developing at the same time. Third, and on the basis of the above theory of cycles, their article analyzed such problems of the current development pattern as overproduction, low technical levels, and a location at the low end of the global value chain. In the area of circulation, the problems include high domestic circulation cost, high dependence on the international market, a wide gap in the income distribution of residents and unfair international distribution. In the consumption field, such problems exist as a low proportion of domestic consumption and great uncertainty with regard to international consumption. Finally, their presentation proposed a basic strategy of building a new development pattern to include adhering to the principle of accelerated industrial upgrading and raising the level of modernization of the industrial chain; assigning priority to the development of science and technology, and increasing the effectiveness of the new whole-nation system; adhering to the principle of improving people’s livelihoods, in part through raising the effectiveness of the strategy of expanding domestic demand; adhering to the principle of accelerated circulation, and improving the overall efficiency of resource allocation; adhering to the principle of making labor the subject of distribution, while improving the distribution system by reducing income differences and sharing the wealth; and upholding the principle of self-led opening-up while promoting the fair development of economic globalization.

Gao (2021) also considered that it was necessary to adhere to a basic strategy of expanding domestic demand so as to build a new development pattern, for which it was necessary to scientifically and systematically understand the corresponding theoretical logic and core meaning. At the theoretical level, Gao’s article suggested that we should be guided by the new concept of development. We should follow the law of proportional distribution of social labor, and comprehensively grasp the dialectical relationship between supply and demand, as well as the relationship between domestic demand and external demand. In this way, we should promote the construction of a demand system based on domestic demand, and then coordinate the development of domestic demand with that of external demand. The article also pointed out that from the point of view of social reproduction, a benign interaction between supply and demand, connecting production, distribution, circulation, consumption and other social reproduction links, was an objective requirement for unimpeded economic circulation. In practice, the article suggested, we should promote consumption demand in a comprehensive, high-quality fashion, remove obstructions to the economic cycle by pushing forward
from the two fundamental aspects of consumption demand and investment demand, and in this way systematically expand the investment space to a high level, while also achieving a high-level development of self-reliance and self-improvement.

Zhong and Li (2021) held similar views. They argued that production, distribution, exchange and consumption should mainly be carried out in China. At the consumption end, the effective capacity of the domestic market to consume should be improved. At the production end, they suggested, we should give full play to the institutional advantages of concentrating resources so as to accomplish major tasks and make breakthroughs in high-end technologies. In the field of distribution, we should solve the problem of fairness in initial distribution and prevent excessive encroachment of capital on labor value.

Policy suggestions were also advanced for constructing the “double-cycle” new development pattern from the perspective of the industrial chain. Wang and Dang (2021) believed that we should first optimize and integrate industrial chain clusters so as to resist “localization” and “reindustrialization” by developed countries and to prevent them from creating double squeezes in the industrial chain. Second, we should build up an infrastructure system that focuses on new infrastructure guided by new development concepts and driven by technological innovation, so as to provide services for digital transformation and integrated innovation. Third, and in the face of “bottleneck” problems in key technologies, we should improve China’s capacity for independent innovation, end dependence on “imitation innovation,” promote the formation of new industrial chains and introduce changes to the technology–economy paradigm. Finally, we should establish a “chain leading system” for key industrial chains, implementing “one chain, one system; one chain and one policy,” strengthening the coordinated division of labor among industries along the industrial chain, and forming integrated industrial chain clusters with distinctive characteristics.

Song (2021b) also pointed out that following major changes in the international market environment, the free flow of factors of production was currently blocked. This was greatly damaging the stability of global industrial supply chains, and required China to promote modernization in the industrial supply chain area. However, the ultimate reason was not to be found in the external cause represented by the COVID-19 outbreak, but in the division of labor trap created by the “locking effect” resulting from the “center–periphery” division of the labor system between developed and developing countries. In the domestic cycle, the article contended, it was therefore necessary to tap fully into potential demand, accelerating the development of a modern industrial system and improving the service efficiency of the government so as to formulate scientific industrial policies. As regards the international cycle, the article pointed out, the government should make clear that the
policy of opening-up would not be changed, and that the industrial supply chain would have a relaxed character marked by diversity and surpluses. It was strongly recommended that we follow an all-round path in which high-end technology was embedded. All of the above factors pointed to the need to improve the modernization level of the industrial chain, and to bring about a new, dual-cycle development pattern in which domestic circulation formed the main component and in which the domestic and international cycles promoted one another, so as to cope jointly with the challenges presented by the double-track linkage.

Third, and proceeding from the perspective of global development strategy, scholars addressed the question of the basic strategies needed for constructing China’s new development pattern of “double cycles.” Wu (2021a) comprehensively summarized and analyzed the lessons of the historical experience of such great world powers as Britain, the Soviet Union and the United States as they sought to construct domestic and international cycles. He considered that China should take those global powers as the model for its dual-cycle development and should define “four wants and four cannots.” The “four wants” signified that we should focus on the major domestic circulation, give full play to the role of internal competition, attach importance to the development of international circulation, and recognize the endogenous vulnerability of unilateral free trade. The “four cannots” meant that a situation in which inequality prevailed and win–win outcomes were precluded could not be adopted as the principle governing double-cycle development; industry could not take the road of hollowing out, but should pursue the “five more” developments; the hidden problems implicit in financialization of the economy could not be ignored; and the transcendent power of the sovereign currency could not be pursued. As a leading power with a status in history similar to that of Britain, the Soviet Union and the United States, China should make full use of the advantages that flow to leading powers and should develop leading-power technology. We should not only make use of the new whole-nation system, but as soon as possible, should also employ market mechanisms to ensure the commercialization and international application of technology, so as to promote the development of the “double cycle” (Wu 2021b).

Meanwhile, Chen (2021) put forward relevant policy suggestions for building the 21st-century Maritime Silk Road as part of the “Belt and Road Initiative,” through which China aims to participate in and help lead international cooperation and unhindered domestic and international circulation. Specific proposals included: first, building a coordinated security community along the Maritime Silk Road in the 21st century, through establishing a strategic mutual trust dialogue mechanism for maritime security, a coordinated and interconnected community on countering terrorism, and a community of a shared future for the South China Sea region; second, establishing an institutional community for smooth circulation along the
belt and road, by way of establishing a regional legal system conducive to smooth circulation, an institutional system able to support joint scientific and technological research, a policy support system favorable to the smooth operation of markets and industries, and a policy support system conducive to infrastructure construction along the belt and road; and third, establishing a China-led community of smooth circulation along the routes, through increasing marine science and technology research and development in order to achieve high-level self-reliance in marine science and technology, through accelerating China’s new infrastructure construction so as to realize China’s soft connectivity, and through accelerating the development of world-class large enterprise groups with global competitiveness.

On Artificial Intelligence and the Digital Economy

In the view of Cheng and Gao (2021), the intelligent economy needed to be based on the new generation of artificial intelligence technology. Through the integration of artificial intelligence technology and the real economy, the intelligent economy took “data-driven human-machine collaboration, cross-border integration, co-creation and sharing” as its basic content, and came to represent a new economic form with benign interaction between intelligent industrialization and intelligent industry as its realization path. In light of the debate among Western scholars on the intelligent economy and its impact on the wider economy and society, this paper clarified relevant concepts by returning to Marx’s system of political economy: first, non-material labor phenomena in the intelligent economy, such as emotions, social relations and language, were activities that had the consumption of living labor as their main content, and that to some degree intentionally, were part of the transformation of material. Therefore, these phenomena still had the properties of labor, and conformed to Marx’s idea that productive labor, including labor itself, the object of labor and the means of labor, represented purposeful activity. At the same time, these phenomena reflected the trend toward expanding the scope of the exploitation of labor, and revealed the deepening of the exploitation of “living labor” in the capitalist intelligent economy. We should be cautious in our dealings with private monopoly capital, especially with regard to its domination of non-material labor; should prevent capital from absorbing “living labor” through the use of intelligent machines; and should prevent the vitality and creativity of living labor from becoming tools of the multiplication of capital. Second, the intelligent economy has not altered the Marxist labor theory of value and surplus value. Not only has the rise in the organic composition of capital brought about by the intelligent economy squeezed out the workers in the earlier industry who were unable to keep up with technological progress, but those workers have been re-absorbed by the extremely low-skilled, low-income gig economy; the result has been a “polarization” of labor and an intensification of the
exploitation of workers. Third, the intelligent economy is not an isolated new economic form, but is constrained by the economic and social system, including the ownership of the factors of production. Under the conditions of private ownership, for example, the intelligent economy will not truly realize co-construction and sharing, but will only serve the reproduction process together with its capitalist characteristics such as the production of surplus value, the reproduction of private ownership of the means of production, and the maintenance of the relationship between labor and capital. It is necessary to make the intelligent economy meet the requirements of the socialist system, through public capital holding platforms, coordination of the relationship between capital and labor, the free and comprehensive development of working people, direct integration of workers and production materials and so forth. Through such innovations, the desirable development effects of shared wealth and common welfare can be realized.

A further topic of study has been the impact of artificial intelligence and the digital economy on labor and employment. W. Wu (2021) made a detailed political and economic analysis of the effects of the generalization of artificial intelligence on labor exploitation. He concluded that the main impact of the intelligence–gene technology revolution on human beings lay in subversive changes first to the way people work, and then to the way they exist. The Internet of Intelligence renders human existence “generally networked,” giving rise to a class of “prosumer-type digital workers,” and for human beings, a “generally laborized” existence threatens to become a reality. Subjugated to the logic of capital, workers will be completely enslaved or alienated. For the normal survival and sustainable development of human beings, we need to build a new world of public platform ownership that is not based on exchange value and surplus value. Hou and Cheng (2021) also conducted research on the monopoly exercised by the platform economy within the context of the digital economy, and concluded that under the socialist market economy, the source of monopoly in the platform economy lay in the big data elements and the private ownership of platform enterprises. The only fundamental solution to monopoly phenomena in the platform economy is therefore the nationalization of platform enterprises, and the sharing of platform wealth by all.

On the Modernization of National Governance

Addressing the issue of rural revitalization, Feng and Xu (2021) analyzed the strategic choices for rural revitalization from the perspective of rural community development, and concluded that the development of rural communities depended on a range of comprehensive factors, including internal development factors and capabilities. These factors and capabilities can mainly be deconstructed into the development of organizational, cultural, economic, political and ecological power, etc.
The fundamental way to solve the farmers’ problems was therefore to focus on ties of geography and industry, and under the leadership of grassroots party organizations, to develop family ties, hobbies and interests. On the basis of the collective ownership of rural land and neighborly allegiances, it would then be possible to continuously improve the degree and level of farmers’ organizational knowledge. This would open the way for continually enhancing the development of rural communities, for systematically promoting new rural industrialization, urbanization, informatization and agricultural modernization, for building mutual promotion between industry and peasants, urban and rural complementarity, coordinated development and common prosperity and for creating new types of urban–rural relations between workers and peasants.

Conducting research in the area of urban governance, Song (2021c) mainly studied the problem of urban social risk governance, finding that as cities were systematically reconstructed in response to social risks, urban social risks were changing the patterns of self-renewal and structural change of modern urban functioning. Consequently, the governance of urban social risks should not be a simple “control idea” rooted in linear causality, but a multi-coordinated governance paradigm driven by people-oriented logic. The characteristic form taken by multiple collaborative governance is a dynamic self-organizing network system that is comprehensive, interdependent, cooperative, innovative and benefit-sharing, and that comes about through a process of reengineering and an effective collaborative mechanism. Government organizations are the core subject and central node, occupying a dominant position in overall planning and coordination. Through institutional arrangements and mechanism design, the tensions between different social structures can be effectively adjusted, while the endogenous and autonomous capabilities of other organizations can be activated according to the situation. The goal is to expand the growth space of micro-social subjects, to promote the proper use of the market mechanism by market organizations and substantial participation by the public, and to realize the transformation of urban space from “me” to “we,” while also avoiding various urban social risks to the extent possible. Similarly, Zhang and Li (2021) also discussed how to achieve the modernization of urban governance. Taking the Shanghai megacity as an example, they concluded that a modernization of governance negotiated with the urban grassroots provided a model suited to dealing with the bureaucratic pressures of a floating population with low responsiveness, and with a society marked by alienated relationships, by social organization within a network business format, by the adherence of different classes and ethnic groups to different ideas and by the isomorphism of functions of cities with the data governance of smart society as their main feature. Zhang and Li summarized the main innovative elements of Shanghai’s use of local grassroots negotiation to achieve governance modernization, a system
that includes top-level design system science, co-construction involving community committees, the co-governance model of the “ternary compound,” the “1+1+X” co-consultation model, the “villagers manage fellow villagers” model of rights protection and so forth. Shanghai’s experience of modernizing urban governance through grassroots negotiation features the following elements: strengthening the leadership through party building and transforming government functions; advocating deliberative democracy and promoting electoral democracy; cultivating social forces and promoting the rule of law through consultation; innovation in the mode of negotiation and improving grassroots co-governance; promoting digital governance and improving negotiating capabilities; fostering a culture of negotiation; and promoting the integration of ethics and law.

Third, and with regard to international relations, Liu and Zhou (2021) studied the necessity and realistic basis for the construction by China of a maritime community of shared destiny from the perspective of Marxism. They concluded that the previous maritime governance system was the result of promoting the logic of capital, and that the irrational pursuit of material interests made the capital-driven maritime governance system unsustainable. The paradox between the logic of capital and the need to establish a workable maritime governance system meant that the inherent principle of public ownership made it possible to build a maritime community of shared destiny. China’s efforts to promote the “21st Century Maritime Silk Road” would become a real force in building a community with a shared future for the sea. Professor Qingjun Wu and others discussed the strategic interplay between China and the United States in the context of China’s national governance. Professor Wu considered that Sino–US strategic relations involved a trade war, a technology war and an information war. The United States sought to prevent China from overtaking it in an all-round way, and to this end, was prepared to wantonly destroy the existing international political order and the stable economic and trade relations between China and the United States. This represented a “new normal” political situation involving a rigorous and comprehensive suppression of China and its interests in all fields. In the immediate sense, the essence of this “new normal” was the struggle for world dominance between hegemonic empires and new rising powers. At a deeper level, it was the systemic struggle between capitalism and socialism, and at the most fundamental level of all, it was the international class struggle being fought out between nation-states. On this basis, Professor Wu and his colleagues proposed that China should use Xi Jinping’s thoughts on the great struggle to guide the strategic contest between China and the United States. The Chinese authorities should display strategic determination, practice bottom-line thinking, grasp the international trend while forming correct views of the relevant history and overall situation, and prepare a complete multiple strategic plan (Wu, Chen and Xiao 2021; Wu and Wang 2021).
Finally, in a discussion of state-owned enterprise reform and other transformative economic policies, Ding (2021) put the view that the reform of state-owned enterprises needed in essence to concentrate on interpreting and implementing the “people-centered” development idea in response to different development requirements in different periods. We should be concerned about the main needs of the people, and in line with the inherent logic of the theory and practice of state-owned enterprise reform in China over more than 70 years, focus on the qualities of strength, excellence and large scale.

Xiao and Li (2021) pointed out that the need to adhere to the leadership of the CPC and to strengthen the CPC’s structures was basic to the entire process of the establishment, reform, and development of state-owned enterprises. The role played by the CPC in China’s state-owned enterprises represented a unique advantage for them; it was consistent with their theoretical logic, historical development and practice, and also acted as an important navigator guiding China’s economic development. The quality of party-building work had a direct impact on the effectiveness of the reform of state-owned enterprises, and helped decide whether the “socialist attributes” of these enterprises were properly manifested. Whether the party-building work had been performed determined directly whether state-owned enterprises could play their full role, and whom their actions would benefit at critical moments. As a result, the work of party building within state-owned enterprises could not proceed on a “two skins” or “one size fits all” basis. It was necessary to give full play to the importance of party building, and to let it guide work among the masses. Equally necessary was to have a profound grasp of the general and particular aspects of party-building work, and to handle the form and degree of party building correctly. In this way, it was possible to realize the effective connection between production and party building, and to achieve the goal of serving the productive operation of state-owned enterprises through party-building activity.

M. Liu (2021) from the School of Economics of Guizhou University of Finance and Economics argued that the modernization of national governance in China’s new era had to be guided by a central bank currency theory with Chinese characteristics. He put forward the hypothesis of the five-fold value of money, the hypothesis of the seven functions of money, the hypothesis of the dual function and four-fold usage of issuing RMB, the five principles of issuing RMB and the dual-track system and two-way mechanism of issuing RMB based on physical goods. He also emphasized the concept of a currency mechanism driven by public welfare, a mechanism for currency withdrawal through the sale by state-owned enterprises of scarce materials, and a systematic, multi-department interaction mechanism to stabilize the value of RMB. Feng and Wang (2020) discussed the experience of improving national governance through invoking the wisdom of
traditional Chinese governance, using methods such as encouraging people to be kind, pursuing interests that are in line with righteousness, fostering techniques derived from Taoism, guaranteeing rights that correspond to people’s interests, and promoting social harmony, sustainability, and healthy growth. Wu and Li (2021) used a historical perspective to explore the strategic logic of various concepts of industrialization. This was important as a reference for the current economic development strategy in China.

Sun and Wang (2021) discussed the question of building a moderately prosperous society in an all-round way. They pointed out that the historical process, from the “four modernizations” to building a well-off society in a rounded fashion, encompassed all the values summed up as “people’s subjectivity,” as “development is the basis for solving all problems,” as “independence and self-reliance” and as “harmonious coexistence between humanity and nature.” This historical process has always been guided by scientific methodologies such as the results of dialectical materialism and the Sinicization of historical materialism, i.e., the methods for analyzing contradictions and for conducting investigation and research, as well as the methods governing system views and holistic views. Together, these ensure the correctness and scientific nature of China’s policies and decisions and provide guarantees that we can build a moderately prosperous society in an all-round way.

**Contemporary Capitalist Economy**

**Analysis of the Causes of Poverty under Capitalism**

Cheng and Y. Zhang (2021) commented on the study of the causes of poverty in the masterpiece *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty* by Banerjee and Duflo, winners of the 2019 Nobel Prize in Economics (described by the authors of this article as the “Nobel Prize for Banking”). Professor Cheng and Associate Professor Zhang pointed out that the analysis by Banerjee and Duflo addressed only the appearance and details of poverty, and responding to that analysis, put forward a creative “four-element main cause of poverty theory” involving “technology, system, legal policy, and individuals.” First, the overall underdevelopment of science and technology or the lack of certain technologies leads to poverty; that is, the relative underdevelopment of science and technology and productivity limits the ability to protect and improve the natural ecological environment, with the result that anti-poverty measures make only slow progress. Second, poverty is caused by the defects of basic social systems, including capitalist private ownership; of the basic economic system with its roots in capital distribution and marketization; of the bourgeois political system in
which multiple capitalist parties exercise power in turn; and of the basic cultural and educational system dominated by bourgeois ideology. None of these systems can eradicate or reduce poverty. Third, poverty results from a lack of appropriate laws, regulations and policies; that is, the chronic diseases of the basic economic, political and cultural system of capitalism mean that the laws, regulations and policies implemented in order to deal with poverty tend to be untimely and out of place, while the views and attitudes of various bourgeois political parties are ill-suited to the circumstances and may contradict one another. Disagreement, wrangling and inconsistency in words and deeds cannot solve poverty. Fourth, poverty is caused by the shortcomings of individuals and their families. If we look to the individual level, then the chronic diseases of the basic economic, political, cultural and educational system of capitalism, coupled with the distortion of individual world outlooks on life and values, mean that many defects when reflected in the individual and his family may lead to poverty.

On Capitalist Financialization and Neoliberalism

Lu, Feng and Wu (2021) from the School of Economics of Guizhou University of Finance and Economics argued that economic financialization and the rise of neoliberalism were the most prominent features of contemporary capitalism, and analyzed the internal and external origins of neoliberalism in contemporary capitalist countries. The goal of neoliberalism is to drag all late-developing countries and regions into the cyclic system of proliferation of international monopoly financial capital, and to realize the globalization of capitalist exploitation. The development of financial liberalization is not only the existing content of neoliberalism, but also the inevitable result of the development of international financial monopoly capital, of the globalization of production and of reform as carried out by neoliberalism. The trend of the contemporary capitalist economy toward financialization is difficult to reverse, mainly due to the political influence of financial groups, to the deep roots that the concepts associated with neoliberalism have sunk and to dependence on the financially-oriented growth model. This also explains why the United States Federal Reserve once again launched a policy of “unlimited” quantitative easing following the outbreak of COVID-19, and continues to attempt fixes to the economy by injecting liquidity into financial institutions and stimulating the rebound of the capital market. It also explains why the trend toward neoliberalism and capitalist financialization will continue.

Ren and Cheng (2021) analyzed the relationship between the COVID-19 pandemic, the US fiscal and monetary rescue policies and the financial crisis from the perspective of political economy. They pointed out that to counter the economic recession caused by the pandemic, the United States has launched several rounds of rescue policies based on additional issuance of national debt and a huge degree
of quantitative easing. As a result, the fiscal deficit has continuously been pushed up, and a large amount of national debt has been absorbed by the Federal Reserve’s open market operations and added to the market through the money supply. This has triggered the release of massive quantities of liquidity by major central banks around the world, and has had a significant impact on the financial markets of the United States and even the world, so that the risk of financial crisis has continued to mount. Taking this into account, the paper then analyzed the reasons for the monetization of the US fiscal deficit from the perspectives of economic causes, the theoretical basis, the institutional evolution, the fiscal deficit and the accumulating national debt. The authors also considered the effects of the global expansion strategy, of the control exercised by the financial oligopoly over the monetary system, the fiscal system and the economic structure and so forth. Predicting changes to the economy and politics of the United States and the world under the policy of monetizing the fiscal deficit, the authors pointed out that the huge liquidity generated by this monetization will have a significant impact on the US and world economies, and that financial crises may be inevitable.

C. Lu (2021) provided a more detailed analysis of the theoretical mechanism and practice behind the financialization of the capitalist economy, from the perspective of capital accumulation theory. He pointed out that where the relationship between finance and capital was concerned, the capitalist system had experienced three modes of accumulation: capital industrialization accumulation, capital credit accumulation and capital financialization accumulation. The model of capital financialization accumulation has created an efficient mechanism for time expansion based on the strengthened intertemporal financial transaction function. Expanding capitalist economic relations to the realm of time improves the efficiency of capital allocation and eases the current contradictions in capital accumulation. However, technological innovation and institutional innovation have greatly improved the operating scope and efficiency of the financialization time expansion mechanism, and the international financial system has changed from the Bretton Woods system to a global financialized system. As a result, the deteriorating financial relationship between micro-subjects has evolved into contradictions and conflicts between countries. This means that the global financialization system will not only bring about “trade wars” at the national level, but may also lead to “financial wars.” Based on this, Lu proposed that an active response be mounted to the current challenges from the capitalist countries and to the threat of a possible future “financial war” by building a financial “firewall,” and by promoting the internationalization of the RMB.

Meanwhile, Zhang and Wu (2021) from the School of Marxism of Harbin Institute of Technology addressed the history of foreign investment access and supervision issues in the US banking industry since the 1970s. They pointed out
that during this period the United States, as the world’s number one economic power, had achieved remarkable results in opening up access for foreign investors to its banking industry and in ensuring supervision. The latter process can be summarized as occurring in two stages: the stage of strengthening supervision from 1978 to 1994, and the strict supervision stage from 1995 to the present. The authors proposed that China should not only continuously promote opening-up so as to upgrade national economic efficiency, but should also improve the access and supervision system for foreign investment, maintain national security and implement the principle of “reciprocal opening-up,” in order to ensure the stability of China’s social economy and allow it to function in an orderly manner.

On Capitalist Hegemony

B. Lu (2001) analyzed the development process and essential characteristics of the new hegemonic imperialism dominated by the United States. He argued that from a time perspective, the new imperialism had been conceived in the 1970s and 1980s, had initially taken shape in the early 1990s, had reached its peak at the turn of the century and had begun to decline from 2008. In essence, the new imperialism is not only capitalism dominated by global monopoly, highly financialized virtualization and neoliberalism, but also American imperialism with “one superpower, and multiple powers defending it.” The new imperialism is a special feature of monopoly capitalism under the conditions of globalization and financialization. With the development of new imperialist capital accumulation and of an economic cycle based on high debt, fictitious economic forms and overdraft consumption, the structures of world capitalism are bound to become extremely fragile with the decline in the comprehensive strength of the United States and the excessive loss of national credit. Therefore, the global spread of the COVID-19 pandemic in 2020 and the systemic flaws in the capitalist governance system will accelerate the decline of the US hegemonic order.

Li and Liu (2021) focused on the issue of American cultural hegemony and ideological warfare. Their article pointed out that military operations, involving the liberal use of armed force, were not the only way to consolidate US hegemony. In the ideological field distinct from the use of armed force, the United States had also launched an offensive, aimed at consolidating ideological hegemony. To maintain an institutional framework conducive to capital and to open a major channel for the ideological penetration of other countries, the United States had employed film censorship to crack down on works with communist overtones and critical of the American system. As a result, American films had come to serve as prime transmitters of the values of American supremacy. To fulfill the mission of ideological warfare, the Hollywood model carefully constructed by the United States under the guise of artistic exchange implanted the values of American
supremacy into the hearts of its target audiences, and successfully implemented the ideological strategy of “defeating the enemy without fighting.” The Hollywood model had thus become the main channel for exporting American values. Similarly, in the article “War Culture and Imperial Fate,” C. Liu (2021) also pointed out that in an important sense, American history was an unending chronicle of bloody conflict. In order to realize its dream of a financial-colonial empire and maintain its hegemonic dividend, the United States had ignited wars all over the world, creating an international threat to humanity.

Comments on the Criticism of Contemporary Capitalism by Foreign Scholars

X. Li (2021) provided a critical analysis of David Harvey’s concept of the “global hegemony transfer” from the perspective of a “time–space fix.” In Harvey’s view, “time–space fix” as an “external transformation” scheme has had two universal global consequences: one has been to keep world capitalism relatively stable, and the other has been to subject the West to the paradox of the “22nd Military Discipline,” which means that the possibility of a shift in global hegemony is increasing day by day. Harvey’s idea needs to be viewed dialectically. On the one hand, because “imitation” has been narrowed down to “economic imitation,” the indicator of “industrialization” is overemphasized, and analysis of the Western “anti-imitation” force and of the exploitative and oppressive significance of “time–space restoration” is neglected. It is difficult for this theory to reveal the underlying reasons for the power changes and hegemony transfers of major countries. On the other hand, although Harvey presents a “Thucydides trap” argument concerning the prospect of hegemony transfer, his familiarity with the internal logic and historical process of capitalist imperialism, as well as with its actions in practice, means that objectively he has responded to China’s peaceful rise by sounding an alarm bell.

Y. Zhang (2021) commented on the theory advanced by Japanese Marxist economist Hirozo Uno on how to analyze the status quo. This theory can be divided into three organic components: original theory, stage theory and status quo analysis. The status quo analysis can also be regarded as a theoretical investigation of modern capitalism. The combination of the three components forms a unique theoretical system of political economy with Japanese characteristics. Its theoretical analysis of the status quo has the defect of representing “more than criticism of the status quo” while exhibiting “insufficient knowledge of the future.” A modern exploration of the theory of status quo analysis needs to extract specific economic theories from the abstract theories, sort them out and summarize them, and then use these specific economic theories to criticize the special, complex status quo of modern capitalist development.
To sum up, the scholars of the New Marxian Economics Synthesis School achieved fruitful research results in 2021. They registered achievements in four fields: maintaining the integrity of Marxist-Leninist political economy, making innovations to it, enriching and developing socialist political economy with Chinese characteristics, and objectively evaluating and analyzing the Western capitalist economy. These scholars have contributed their wisdom and strength to the development of Marxist economics in the 21st century, in China and in the wider world.

**Funding**

This article is sponsored by the Major Project of the National Social Science Fund of China: “Research on Innovation in the Theory of Political Economy and on the Historical Experience of China’s Development Path since the Reform and Opening Up” (No. 20&ZD052).

**References**


