

# Analysis of Marxism and China's Economic Reform

**Fan Tianlu**

*School of Marxism, Chongqing Normal University, Chongqing, 401331, China*

**ABSTRACT.** *This paper starts from the overview of the book, Marxism and China's Economic Reform that was written by Zhou Xincheng in 2017; the book discusses the basic principles of Marxism and interprets China's economic reform and opening up from the perspective of Marxist political economics; therefore, it poses important enlightenment for the healthy, stable and sustainable development of China's economy in the future. The author aims to take an overview of the book, and specifically analyze the three distinctive features of the book.*

**KEYWORDS:** *Basic principles of marxism, Marxism and china's economic reform, Marxist political economics*

## 1. Introduction

With Political economics in a broad sense belongs to social sciences; based on this, Chinese economic research must be involved with the objectivity and particularity of the Chinese economy besides rational thinking and statistical tools. However, according to researches on China's economic issues during the reform and opening-up period, western modern economic theories are regarded as classics and are quite popular, which also caused some problems in the current Chinese economy, such as the more prominent contradictions between man and nature as well as the resource-based economy. In the process of deepening the reform of the market economy system, more people emphasized jumping out of the barriers of "pure economics", especially from the microscopic perspective of Western economics, and paid more attention to better adapt to the development needs of the socialist market economy with Chinese characteristics, and to provide strong theoretical support for resolving the problems encountered in the "new normal" of the Chinese economy. The advantage of Marxist political economics is that it takes production relations as the core research object of economics, which leads the Chinese economy out of the classic theoretical system of western economics and has apparent advantages in handling limitations of microeconomics. And the relatively thorough analysis of this book will be shown in the following.

## 2. Problem Resolution and Scientific Criticism

This book is a great work on the interpretation of China's economic reform based on the basic principles of Marxism. It does not adopt a common chapter structure in terms of content organization. The author divides the content into different topics to strengthen the integrity of the arguments and demonstrations. There are 26 topics in the book, each of which is developed in a question-oriented way, showing that the author has a strong problem awareness in the study of China's economic reform. However, there are certain differences in the way of expressing content under each theme, which can be divided into three parts; firstly, the author interprets the typical problems in China's economic reform based on the basic principles of Marxism. This awakens the attention of the theoretical and pragmatic schools of Chinese economic research; secondly, it mainly adopts the form of "reverse questions and positive answers" where the author points out the Chinese economy based on the basic principles of Marxism. The direction of reform is aimed at effectively resolving a series of problems encountered in the "new normal" of the Chinese economy; the third part includes the research on the three aspects of "ruling the country by law" and "application of the basic principles of Marxism", which has established a stable guiding framework for China's economic reform[3].

The awareness of problems pushes the author successively to carry out scientific criticism on the problems that appeared in the process of China's economic reform. The advantages of the basic principles of Marxism were concentrated in this research process. The level of the object of criticism presents the rule of "from large to small"[1]. The first theme "On the performance and essence of the current Marxist trend of thought" criticizes the "misunderstanding and misunderstanding of Marxist economic theory" and related issues. In detail, the author criticizes neoliberalism, democratic socialism, universal values, and historical nihilism. His arguments are clear and well-founded, which attaches great importance to the integration of the facts of China's economic reform and opening-up. For example, when in the criticizing neoliberalism, the author first reflects on the reasons for the proliferation of neoliberalism in the early stage of China's economic reform and opening up, and then refutes it from the two perspectives, namely "economic man hypothesis" and market economy theory, which not only substantially reveals the cause of neoliberalism proliferation, but also the reason of the dumping of the US "Washington Consensus" to China. According to this consensus, it is believed that the planned economy should be completely abandoned, including the use of market-oriented models in the field of national security strategy. This is undoubtedly inconsistent with China's current economic situation. Moreover, the 2008 global financial crisis was further used as an argument to enhance the effectiveness of the criticism; the rest of the critics include the "theory" of China's market economy system, the "freak theory" of state-owned enterprises, as well as the "public-private theory" of the socialist economy. In addition, a certain warning significance could come from the fact that the macro-political ideology to the micro-market economic system has corrected a series of erroneous perceptions of China's economic reforms.

### 3. Seek Truth from Facts and Have a Clear Direction

Economic reform in China is a continuous and constantly new subject when there is no “universal model” to solve all problems, which is exactly the core meaning of exploring China’s economic reform on the basis of the basic principles of Marxism. The book analyzed, based on the research with the Marxist political economics method, takes an explanation of the limitations of microeconomic theories and viewpoints as well. For example, neoliberalism, as a representative of microeconomics, opposes government intervention and state regulation, advocating the release of all power to the market space. It is called “true feedback to the objective economic environment”, however, only from a logical analysis. Neoliberal economics has its limitations. In addition, it regards human society and economy as a dynamic evolutionary mechanism under a steady state-the premise must be a “stable state” on which the free distribution of economic factors, production resources, science and technology, etc. However, this is not the case. Humans have very limited cognition of the existence of “objective economy” that is also generated by random changes; therefore, there is no perfect symmetry mechanism logically. This is the same with the evolution process from classical mechanics to quantum mechanics; the economies of different countries and regions can only partially and one-sidedly adapt to a certain economic theory[2].

Therefore, this book, based on the basic principles of Marxism, is to explore the core significance of China’s economic reform; it can also be summarized as “seeking truth from facts”. Based on the current situation, the key to China’s economic reform is not “how to optimize the market economic system, but the question of “what kind of market economic system to establish.” In other words, China’s reform and opening-up has achieved great success in the construction of a market economy, so we can optimize the market economy system infinitely, but we cannot fundamentally change the attributes of the market economy system. Based on this premise, this book points out the direction for reforms under the “new normal” of China’s economy. Specifically speaking, to start with, market economy reforms cannot destroy mixed ownership. On this basis, it is of significance to establish a sound anti-monopoly mechanism and advocate competition among market economic entities; secondly, China’s economic reform must adhere to the socialist direction. It cannot be “de-maatization” or “de-maoization” in the name of reform. Ideology determines that the “string of thought” of economic reform cannot be loosened; in addition, the “national balance” measures should be concretized, and at the same time, “State” means that state-owned enterprises are the representatives of the public economy, while “people” refers to that private enterprises are the representatives of the non-public economy. In the process of economic reform, we must avoid competing for profit with the people and focus on fighting for the people. China’s current economy in this field shows that the reform has been quite perfect, and more and more industries have begun to open up to the non-public economy. The above three directions are scientific achievements based on the principles of Marxism, which have important guiding significance for the economic development in China.

#### **4. Uphold Dialectical Unity and Build a Framework**

The author has always criticized the irrational voice of China's economic reform. Among them, the most important critical topic in the book is "the essence of the shareholding system". It not only answers the reasons for the great significance of Marxist economics to China's economy, but also leads to three major issues that China's economic reform will face in the future, building a perfect guiding framework based on this; therefore, it can be said to be a link between the past and the future. Practice has proved that China's economic reform cannot be achieved through a simple joint-stock system implementation. On the contrary, it is easy to cause the privatization of property rights, leading to the loss of a large number of state-owned assets and the stagnation of the regional economy. The essence of this problem still has to return to the "socialist economic system VS capitalist market". that is controversy over the economic model. The 40 years of reform and opening-up and economic prosperity in China have proved that the contradiction between public ownership and market economy is not irreconcilable. Moreover, it is also based on the dialectical unity of Marxism that China has opened up a path to a socialist market economy with Chinese characteristics.

#### **5. Conclusion**

In summary, when China's economic reform is faced with uncertainties in terms of the environment, factors and technology, it must first consider three issues and the guiding framework constructed under these three issues. Specifically speaking, to start with, it is necessity to consider why public ownership is the mainstay and what the role is. The main purpose is to avoid misunderstandings about the interpretation of Marxist means of production ownership, and also to avoid placing public ownership and private ownership at an absolutely opposite level. Besides, in the market economy reform framework formulated based on this, the scale of multiple ownership and public ownership should maintain a positive correlation growth trend. Secondly, the relationship between rule of law and economic reform should be considered. According to the analysis of the basic principles of Marxism, the rule of law is the top-level building of society as it forms a dialectical and unified relationship with the economic foundation. That is, the economic foundation determines the level of the rule of law, and the rule of law escorts the economic reform. In the framework of market economy reform formulated based on this, the rule of law is the ideas that should be integrated into the economic reform behavior and maintain a certain degree of matching. Thirdly, the appropriateness of the application of Marxist principles should also be considered. This is also one of the core points of this book. It emphasizes that the Sinicization of Marxism should not be equated with Marxist diversification, let alone the basis for the diversified interpretation of Marxist economics. In fact, as Marxist economics guides the process of Chinese economic reform, China has never been dogmatic and rigid; besides, in the market economy reform framework constructed on this basis, the basic principles of Marxism should still be the core, and innovation should be sought on the basis of seeking truth from facts.

## References

- [1] Marx, Engels(2009). Collected Works of Marx and Engels Vol.2. Beijing People's Publishing House, vol.19, no.20, pp. 66-69.
- [2] Xi Jinping (2018).Remarks at the Celebration of the 40<sup>th</sup> Anniversary of Reform and Opening up. Beijing People's Publishing House, vol.56, no.28, pp.26.
- [3] Zhou Xincheng (2017). Marxism and China's Economic Reform. Economic Daily Press, vol.25, no.12, pp.35-36.