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Cheng Enfu: Marx's Capital still shines with the light of truth

We are pleased to publish this speech by Professor Cheng Enfu on the contemporary relevance of Marx's *Capital*, given at a recent webinar organised by the International Manifesto Group.

The core theme of Cheng's presentation is that Capital has lost none of its relevance or applicability, and indeed is enjoying a resurgence of interest in response to the imperialist crisis. "Whenever the world faces a major dilemma or encounters a major setback, Marx always reappears in a new way, and people always look to Capital to find a way out of the global

problems of the day.” Although Volume 1 of *Capital* appeared over 150 years ago, there is still “no theory in mainstream Western economics comparable to *Capital* in terms of understanding the reality and development of the contemporary world.”

In terms of the relevance of Marx's economic teachings to contemporary Chinese socialism, Cheng points to the contradictory nature of capital: as a force for technological progress, and as a force for reproducing poverty and vast inequality. The unlimited expansion of financialized capital “has led to the intensification of the basic contradictions of capitalism in all countries and the whole world, with widening gap between rich and poor in wealth and income distribution within and between countries, leading to increasingly serious global problems.” The key lesson for China's socialist market economy is the crucial importance of “overcoming the greedy nature and the disorderly expansion and monopoly of non-public capital” such that capital can better serve the interests of the people.

Professor Cheng joins the dots between Marx's economic analysis and today's global anti-imperialist struggle, stating that “we must resolutely oppose private monopoly capital, international financial monopoly capitalism and neo-imperialism, work together to actively safeguard the rights and welfare of the working class and the working people at large, resist the US-led West's efforts to contain the peaceful development of China, Russia, North Korea, Iran and Syria, and bring into better play the economic role of progressive Third World countries such as China.”

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Hello everyone. Today, the title of my presentation is **The Essence of *Capital* and Its Contemporary Value**.

The capitalist world has changed dramatically since the publication of *Capital*, but this work of Marx has not become obsolete. Whenever the world faces a major dilemma or encounters a major setback, Marx always reappears in a new way, and people always look to *Capital* to find a way out of the global problems of the day. As long as capitalism and the market economy exist, *Capital* as a work that reveals its mysteries and economic laws, is unlikely to leave the stage. As a “Marxist

encyclopedia,” the methodology and principles contained in *Capital* still shine with the light of truth and are of great practical significance.

First, *Capital* provides a scientific approach to understanding societies. In *Capital*, Marx organically integrates philosophy with economics, applies dialectics to the study of political economy, and has historical materialism and dialectics highly unified in the analysis of the evolution of the life and death of the capitalist market economy. *Capital* is mainly a study of the economic mode of capitalist society. Marx regarded the development of society as the result of contradictory movements and believed that the law of contradictory movements of the productive forces and relations of production as well as that of the economic base and superstructure is the general law of development of human society and its fundamental driving force. It determines the change of social formation and the basic trend of historical development. Marx analyzed the operation and development of capitalist economy by applying the law of unity of opposites, the law of quantitative and qualitative changes, and the law of the negation of negation, as well as methodologies such as class analysis; he studied the process of capitalist social and economic development by applying the scientific findings of historical materialism, and came to the scientific conclusion that capitalist system is not eternal, but is bound to be replaced as the contradiction between the productive forces and the relations of production evolves. To date, there is no theory in mainstream Western economics comparable to *Capital* in terms of understanding the reality and development of the contemporary world. I recently edited a textbook titled *New Political Economy*. The English version will be published soon. It is a synthesis of Marx's *Capital* and his planned six volumes on political economy, creating a new system of “five processes” in modern political economy. I wish that the textbook may be available to you in some way since your comments and suggestions would be very valuable.

Second, it establishes the subject status of workers. Labor theory is at the core of *Capital*, and is a line running through historical materialism, political economy and scientific socialism, which is of great significance to the world today in firmly establishing the subject position of workers in the creation of wealth and value. Marx once pointed out that as long as society does not yet revolve around labor as the earth around the sun, it can never reach a state of equilibrium. Marx's comparison of labor to the sun is sufficient to see the position of labor in his thought. Labor is the core of the Marxist paradigm and system. Not only does labor determine and condition the structure, nature and appearance of society, but the labor conditions would determine the conditions of human development. Marx presents the labor theory of value in *Capital*, arguing that living labor is the only source of value creation, making it the cornerstone of the theory of surplus value, and on that

basis proposed the idea of labor emancipation. Even under the increasingly mature digital economy, intelligent economy and other high-tech conditions, as long as it is in a capitalist society or a capitalist enterprise in a socialist country centering on private capital, labor would still be characteristic of the dependence on things, workers be enslaved by private capital, and various forms of alienation persist. In future society where the factors of production are publicly owned, labor will become the “sun,” that is, labor will be completely liberated, thus truly realizing the free and comprehensive development of human beings. We must always stand in the position of international working people, establish a view in our value system that respects labor and workers, insist on the subject position of workers in social development and wealth creation, and refute the fallacy of “exploitation creates wealth” that has been popular for thousands of years.

Third, it clarifies the contradictory movement of capital. The theory on capital, as a key term in Marx's works, is one of the three main categories throughout the book, i.e., labor, capital and surplus value, and is of great importance to our understanding of the nature and role of capital in the context of globalization. Capital is a product of a certain stage of human history. It is a historical category. Capital is a factor of production, a value that can bring surplus value. Capital in essence is not a thing, but a certain social and economic relationship, which in turn must be manifested through things. This gives rise to a double logic: a logic of creating material and economic civilization by the power of things, and a logic of value-added with pursuit of profit maximization. From private capital to private monopoly capital, national monopoly capital, and then to international monopoly capital, the expansionist nature of capital keeps driving forward the process of economic globalization, which constantly intensifies the globalization of production, trade, finance and business operation, with an ever more greedy capital today that is based on private appropriation and characterized by virtual capital. The unlimited expansion of such capital has led to the intensification of the basic contradictions of capitalism in all countries and the whole world, with widening gap between rich and poor in wealth and income distribution within and between countries, leading to increasingly serious global problems. Under the conditions of China's socialist market economy, while attaching importance to the role of public capital, we must pay close attention to overcoming the greedy nature and the disorderly expansion and monopoly of non-public capital. The relationship between capital and labor as social axis must be well handled, and making various forms of capital better serve the national economy and people's livelihood.

Fourth, it reveals the laws of development of market economy. In *Capital*, Marx has scientifically explained many economic laws of human society, such as the general

law of commodity production, the common law of socialized mass production, the law of economic globalization and the world market. The laws of capitalist economic operation are systematically analyzed, which covers wage, cost, profit, credit, interest, land rent, reproduction, virtual capital and virtual economy, economic cycle and crisis. All these provide guidance for a correct understanding of the laws of operation of socialist market economy.

Fifth, (Marx's ideas in) *Capital* must be applied in a flexible manner in practice. At present, we must resolutely oppose private monopoly capital, international financial monopoly capitalism and neo-imperialism, work together to actively safeguard the rights and welfare of the working class and the working people at large, resist the US-led West's efforts to contain the peaceful development of China, Russia, North Korea, Iran and Syria, and bring into better play the economic role of progressive Third World countries such as China. Today, China has become a major trading partner of more than 140 countries and regions, ranking first in the world in total trade in goods and leading the world in attracting foreign investment and outbound investment. Between 2012 and 2021, China's gross domestic product (GDP) grew from 54 trillion yuan to 114.9 trillion yuan, accounting for 18.5 percent of the world economy and firmly ranking second in the world. In 2021, China's total GDP at market exchange rates reaches \$17.8 trillion, equivalent to 77 percent of the US GDP. Between 2013 and 2021, China's average contribution to global economic growth reaches 38.6 percent, more than the combined contribution of the G-7 members. China has signed more than 200 cooperation documents with 151 countries and 32 international organizations to build the "Belt and Road." The Belt and Road Initiative will lift 7.6 million people out of extreme poverty, increase global trade by 1.7--6.2%, and increase global income by 0.7%--2.9%. Currently, the Asian Infrastructure Investment Bank (AIIB) has grown from 57 founding members to 106 members from six continents, making it the second largest international multilateral development institution in the world. The above achievements have been made through the dominant role of China's state-owned capital, collective capital and equity-based cooperative capital. In light of that, I would argue, as in an already published paper, that China has got rid of its "dependent" and "semi-dependent" position in the world economic system and is now in a "quasi-center" position and will reach the "center" by 2035. By 2050, it will achieve a status of one of the top "countries in the center," completing the three major tasks, i.e., Chinese modernization, reunification of the mainland and Taiwan of China, and international anti-hegemonic struggle.

That is all I have to say here. Thank you.