

A New World Is Possible:

Preface of *A New World Is Possible: The Modernization of China*

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This preface was written specifically for English-language readers. Five years have passed since the completion of the original Chinese edition in 2017. These five years have been eventful in terms of global developments: COVID-19, tensions between China and the US, the economic crisis, the conflict in Ukraine... all of which make the themes of this book more relevant. And since the original book was written with Chinese-language readers in mind, I thought it necessary to write a new preface for the benefit of English-language readers.

This book is about China's path to modernization as well as development theory. I describe how an impoverished agrarian nation became a modernized state. What were the major choices that China made along the way? What is unique about China's path to modernization? What are the universal laws of modernization that China discovered? In what ways does China's success challenge the theories of mainstream social sciences (including political economy, development economics, political science, international relations, and civilizational studies)? How will China's success contribute to these fields? What does a Chinese-style path to modernization mean for the 21st-century world? How should today's world view Marxism and socialism? These are some of our key questions.

In this preface, I want to talk about why I wrote this book and what readers can gain from the English edition.

1. China in the eyes of an ordinary Chinese

I was born in 1981 in an ordinary city on the eastern plains of China. Like all of my countrymen, I experienced the tremendous changes that China went through over these decades. My grandfather's generation were uneducated peasants whose lives were changed in the 1950s by the land reforms that distributed land to every rural resident. My grandparents and parents told me about how collective agriculture allowed China to

embark on grand water conservancy projects in the sixties and seventies. Over 80,000 reservoirs were built during those years, revolutionizing Chinese agriculture and making hunger a thing of the past. My grandparents and parents took part in these projects too. Basic schooling also became universally available during this period. High school enrolment grew more than tenfold between 1965 and 1978, from 1.31 million to 14.84 million. Enrolment rates grew even faster in the countryside. In 1962, fewer than one in ten high school students were from the villages. By 1976, over 60% of high school students were from rural households.

The greatest enabler of class mobility is education. For millennia, only a minority of China's population was literate. In modern China, everyone had the means to improve their lot. This was also what allowed my parents to be part of the first generation from their families to graduate from college. I also experienced China's changes firsthand. In 2004, I began my postgraduate work in health economics. At the time, universal health insurance had just been launched in China. When my grandmother was sick, the new rural cooperative medical scheme subsidized her medical bills. For the first time in China's long history, healthcare security was available to rural residents.

China has also made great strides in its infrastructure. My grandfather's generation had never traveled farther than our province. When I was a fresh-faced college student in Beijing, it took me nine hours to travel 800 kilometers by train from my hometown to Beijing, and sometimes I had to spend the night under the train seat. Today, China's bullet trains whiz by at 350 kilometers per hour along tracks that account for two-thirds of the world's high-speed rail network, a thing of pride for ordinary Chinese travelers.

What has changed even more is the mind. When I started college in 2000, the mainstream view of Chinese social sciences was that China's future lay in the emulation of American institutions. As Francis Fukuyama said, American-style liberal democracy and market economy is the best in the world and the last political system for humankind.

However, with my own learning experience, I have come to doubt this popular view. When researching healthcare systems, I was shocked to find that the US had a healthcare system that was a global laughingstock despite being the strongest superpower – expensive and inefficient. The work that presidents since Roosevelt had put into social health insurance had been swept away by special interests. Prior to Obamacare, 40 million Americans were uninsured. Compare that to China, which took less than a decade to build universal healthcare coverage from scratch. Shortly after, in 2020, China became the world's only country to eradicate absolute poverty. In America, 40 million people live below the poverty line, 18.5 million of whom are in “extreme poverty”, and 5.3 million who live in “Third World conditions of absolute poverty”. In 2020, I visited the Garzê Tibetan Prefecture in Sichuan and Tibet Autonomous Region, which were the poorest areas in China before, and found that rural households were living comfortably in two-storey dwellings without worrying about food or clothing. The county hospitals there were comparable to those in the wealthy coastal east. Their ICUs were state-of-the-art. Local governments provided universal screening for infectious diseases and chronic conditions. Free healthcare was available for virtually all poor people.

These contrasts have put paid to the once-popular notion that history has ended. In 2010, China became the world's largest industrial nation and second-largest economy, and has maintained rapid development until now. Today, there are few who doubt that

China will succeed in its modernization. China's path to modernization has not only attracted the attention of the Chinese people, but also many international friends. In Moscow, Minsk, Tbilisi, Rome, Canberra, Los Angeles and Honolulu, two feelings strike me when interacting with foreign friends. The first is that many of them have noticed the rapid success that China's achieved in modernization and their desire to understand how that came about. The second is that China's experience is hard to describe, and even requires breaking many dogmas we have long taken for granted:

—China's economic system is not a "pure" market economy of the sort advocated in neoclassical economics. It does not fit the privatization-and-small-government paradigm. The Communist Party of China, the government, and the state-owned sector play a dominant role. Why can such a system achieve long-term, rapid and sustainable economic development?

—Based on Western views, China's political system is not "democratic". China does not practice an American-style multi-party system. How was it that an "undemocratic" country was able to achieve rapid growth, social solidarity, and national stability?

—The Communist Party of China is not a loose organization like in the West, but is tightly and extensively penetrated into society. China does not have the sort of "civil society" advocated by the West. And yet it is one of the safest and most vibrant societies in the world.

—The popular view holds that China succeeded because it learnt the market economy from the US, creating a private sector and opening up to the world. What this explanation does not explain, however, is why the vast majority of countries in the world have adopted private ownership, market economy and openness, yet their development performance has varied widely. However, the global financial crisis since 2008 and the COVID-19 epidemic in 2020 have also shattered blind faith in Western systems. crises are brewing in Western liberal democracy.

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As a result, I began to doubt those once-popular views. President Xi Jinping has pointed out that humankind is facing "Profound Changes Unseen in the World in a century". I believe that one of these changes is that the path to modernization and social science theories dominated by Western Europe and the USA since the Age of Discovery 1,500 years ago has lost touch with today's world. No matter for or against, it is undeniable that China has found a new path to modernization unlike that of the West. The Chinese people need to understand this new path to know how to make their way forward. That was what inspired this book in the first place.

I began to feel, more and more strongly, the need to explain China's development path and the underlying theories to the world. The reason is that people have the tendency to doubt or even fear things that they do not understand. Many hold negative views towards China because they do not understand the country. I always believe that understanding and approval are possible as long as China's development path and its theories are explained to those from foreign lands. So, I hope the English version of this book can contribute to this cause.

China is a complex country with a different history, system, culture, and language than the West. So, how might I fit an explanation of China's modernization path in a single book?

2. To understand China, one must understand Chinese history

China's modernization has a highly distinctive history. To understand China, one must begin from the details and logic of history.

China has a history of 5,000 years. The country's fortunes began to decline after the First Opium War. It was not till 1949 that modernization began. Meanwhile, China's modernization took place through a planned economy adopted after the revolution and the adoption of a socialist system. Not only do mainstream Western perspectives fail to understand this point. After reform and opening up, there was once a period when many misconceptions emerged among the Chinese people (we call this "historical nihilism). For instance, there were views that socialism was incompatible with "constitutional democracy" and the market economy; views that Western colonialism brought prosperity rather than a calamity for China; views that the Chinese revolution had delayed modernization; views that priority development of heavy industry led to backwardness; views that Chinese agriculture was "forcibly collectivized". There were even those who characterized China's pre-reform system as "a Stalinist reign of terror" and that the country was "integrated into the mainstream of human civilization" only after the reforms of 1978.

In this book, I will show, with justification, that these views are unfounded. Readers who grew up in the developed West will find it difficult to imagine the challenges faced by an impoverished country in launching modernization.

In the first chapter, I argued that China's choice of a socialist system was not merely the result of ideology and geopolitics. It was the optimal choice even when considered solely from the standpoint of the underlying logic of modernization and economic development. For example, China did not have the vast colonies that provided the raw materials for the early modernization of the West, the only way to start the industrialization process was to accumulate a capital from its limited agricultural surplus. In turn, that required agricultural collectivization and a rationing system, the only way that the country could ensure basic living standards while accumulating the needed capital to industrialize. This is no different from any other nation. Every nation has families who scrimp and save to improve their lot. It was only that the Communist Party of China shared weal and woe with the people and extend this virtue to the entire nation.

The second chapter, "Finding the Chinese Way", tells the story of how Chinese communists, led by Mao Zedong, sought a to modernize China. To English-language readers, this portion of the book will be the strongest depiction of the unique nature of China's modernization path. Between 1949 and 1956, China's development strategy shared similar traits with other newly independent developing states (such as India, Egypt, Brazil and other former colonies). These traits include a planned (at least partly planned) economy, a strong government, emphasis on heavy industry and infrastructure, trade protectionism and "big push" strategies.

But after 1956, China's development path began to diverge from other developing countries as well as Soviet-style socialism. In the second chapter, I identify four aspects unique to China. First, China's planned economy delegated some authority to local government, avoiding the kind of inefficiencies faced by the Soviets due to excessive centralization. These strategies also ensured balanced regional development. Second, China instituted "economic democracy", emphasizing that ordinary laborers should have a role in management. This averted Soviet-style bureaucratism as well as the oppression of

labor by capital. Third, China made use of the unique advantages of social coordination. costly Western models of specialized education and healthcare, opting instead to ensure universal access to basic schooling and medical services. The result was a high level of human development. Fourth, China allied itself with Third World and European countries to fend off American and Soviet hegemonism, in the process gaining massive moral capital in the international arena. This era was an age of explorations to find better a social system. Despite setbacks along the way, it laid the groundwork for China's subsequent boom.

The third chapter summarizes the Mao era. This period was a historic turning point for the Chinese nation that laid the decisive foundations for China's present and future modernization. Over those years, the Chinese people went from despondency to confidence, from dependence to self-reliance, from humiliation to strength. As Maurice Meisner, the American academic and author of *Mao's China* wrote, the Mao era, far from being the era of economic stagnation that it was popularly held to be, was instead the greatest era of modernization in world history, comparable to the most intense periods of industrialization in main latecomers on the industrial scene such as Germany, Japan and Russia. His view remains relevant because English-language readers should give due credit to the Mao era when seeking to understand China's experience. Many of China's unique characteristics today originate from the basic system formed at the time. The foundations laid back then are the source of the country's present accomplishments.

Understanding the Mao era is also relevant because it will help us to understand China's market-oriented reforms and open up to the world after Mao's death in 1976. The early 1980s were also an important turning point for the world. Today we find ourselves at a new historical juncture that requires us to duly recognize how the world was impacted by the neoliberal tide during those years.

In 2016, I visited an eastern European country. The country used to be a heavy industry base during the Soviet era. After the USSR fell, however, industry was severely weakened. More than 1 million of the country's 3.7-million-strong population sought work abroad. Most of them were young men, leaving the country populated mostly by the elderly, women and children. As I strolled the streets, it was overwhelming for me to see the familiar sight of factories and dormitories (my hometown is also a city filled with old state-owned industrial enterprises), which had been rusted and empty. This was a microcosm of the consequences of the global neoliberalist privatization and liberalization policies of the 1980s. Many countries – Britain, the USSR (Russia), Brazil, among them – were hit hard by these reforms. But China ushered in an age of rapid economic growth through reform and opening up.

The fourth chapter answers this question: why were China's reforms successful? It was not the result of the marketization, privatization and deregulation advocated by neoclassical economics. Rather, it was due to two other reasons. First, China stood by its autonomy during the Mao era and remained politically independent, building its own industrial base despite the heavy costs of relying on domestic accumulation. Second, China held fast to the Party's leadership and its socialist system even as it brought in private capital, thereby limiting the drawbacks of the market and capital.

In other words, China's socialist market economy is fundamentally unlike the Washington Consensus. Many large corporations in basic and strategic industries, as well as

financial institutions, in China are still state-owned. The Party and the government have retained strong macroeconomic management, redistribution, development planning, and restrictions on capital's privileges. These measures effectively prevented the capital from having free rein in capturing profits, thus averting the economic meltdowns that followed neoliberal reforms in Asia, Latin America and Eastern Europe (see chapter 4).

The fifth chapter “Chinese Democracy” uses the case of healthcare reforms to illustrate how China makes policy decisions. The West commonly misconstrues China's political system as authoritarian, in other words undemocratic. In this chapter, I use the example of China's healthcare reforms, in which I was a participant, to describe how China's political system makes decisions as well as how the process reflects the interests of the people. I have attended dialogue sessions held to solicit public opinion and experienced how mass wisdom is harnessed to make reform plans using the Party's democratic centralism. I have also witnessed how special interests try but fail to influence government policy.

After the financial crisis of 2008, many across the world began to rethink the development paths taken by the US and Western Europe, and began to discard “Western centrism”. In lieu, they began to recognize that China had found a new path to modernization. China not only held its ground against the shock of the crisis, but also became the most stable driver of global growth to date. As for me, I began to feel this way in 2008, when China's economy and institutions became a popular topic of discussion in many international forums. The reason is that China had become the world's second-largest economy despite not following the Western model.

However, it will still take a lot of work to clarify what the China Model actually is in theoretical terms. It will require a repudiation of existing theories.

3. What is the China Modernization Model?

What exactly is the China Model? What are its characteristics? This topic seems particularly difficult to elucidate given existing theories and discourse. In particular, current mainstream Western theories consider the China Model to be a knock-off of the Washington Consensus. Some think that this is why the China Model is “authoritarian politics cum liberal economics” (or “leftist politics and rightist economics”). Some even refer to the China Model as “state capitalism” or “bureaucratic capitalism”.

The sixth chapter will show that these views are unjustified. They are simplistic depictions of China's complexities. Based on a review of history, I propose that the “Chinese path to modernization” has at least five distinctive aspects.

The first is philosophy, something that many studies of China overlook. China has long had a tradition of materialism and dialectics. In modern times, Marxist dialectical materialism and historical materialism entered the scene. We can therefore say that China has always been a secular rather than religious nation that does not believe in a supernatural force that decides human destiny. Instead, the Chinese believe that happiness results from effort and understanding of the objective laws of history. The Party's notion of seeking truth from facts is a modern incarnation of this tradition.

The second characteristic is the relationship between the Party, state and capital. This is a problem all modern states must face. Most English-language readers live in capitalist countries, and I believe a correct understanding of capital is indispensable in any discus-

sion on the path to modernization and the future of humanity. As I mention in the book, the capitalist mode of production, wherein profit is the main imperative, has been the main driver of modern global economic growth. This mode of production might have helped to unleash productivity, but it also creates cyclical crises. In contrast, China has created a new model that harnesses capital and markets while restraining their excesses and making them serve the people through the power of a socialist state. This model differs from the Soviet approach of eliminating markets and the Western model of allowing capital to dominate economic and social life. In recent years, China has developed a more detailed policy in this regard: setting “traffic lights” for capital to enable it to serve as a factor of production while keeping its expansion within reasonable limits. Particularly, capital is prevented from interfering with morality, social life, public services and politics.

The third characteristic is how China balances the relationship between equity and efficiency, between economic development and human development. This is what is known as putting the people first (Renmin Zhishang). Capitalist modernization is capital-centric, while Western countries prefer to pursue efficiency before dealing with inequity and prioritize economic growth over human development. However, polarization is difficult to eradicate once it takes root in society. China adopts a new approach that includes the following aspects: people-centered development; social change over economic change; social progress before economic growth. This ensures that human development stays appropriately ahead of economic growth. Social equity takes first place over economic development.

The fourth characteristic is related to how China sees the world. Here, the Chinese tradition of remaining principled when impoverished and benefiting others when strong applies. Even when weak, China did not give up its political independence for temporary benefit even if it had to suffer in the short run. And when strong, China respects the independence of other countries. This concept may be hard for some foreign friends to understand. Foreigners often speculate that when China matches American might, it will exploit other nations as imperialist countries did. This will not be the case as China has, since antiquity, been an independent geographical unit that survived through agriculture rather than plunder, a culture that does not encourage expansion. Consequently, conquest is not part of the Chinese tradition. Moreover, China’s socialist system ensures that the country will not seek global hegemony through the Western model of imperialism through capital expansion. The reason is that that would only imbalance the global economy, causing an economic crisis characterized by excess capital at one end and a poverty trap due to insufficient development at the other. It is precisely because China is rational that it has proposed the idea of a global community of shared future. China does not wish to take the place of any dominant power. Its hope is for a world where all countries are equal and can develop together.

The fifth characteristic, also the most central feature of the Chinese model, is the leadership of the Party and the unity of the Chinese people.

I am aware that there are many foreign misconceptions about the Party. One reason is probably the years of anti-communist propaganda in the capitalist world. Another reason is that the Communist Party of China is a new type of political party distinct from the elected parties of the West.

I am a member of the Party. But it was only after I started work as a researcher that I truly realized the capabilities of the Party. I saw for myself that the Party was not the ultra-authoritarian entity of Western imagination. Rather, it was an amiable and lovable organization with deep roots among the Chinese people, with full feelings and trust with the people, and whose job is to help the people improve and strive for a better life. If friends in the English-speaking world understand this, they will gain a full understanding of what the Party is. In this book, I talk about the Party's central role in organizing and leading China's modernization. Party leadership is the most essential feature and the greatest strength of the Chinese path.

In *The Logic of Collective Action*, American political scientist Mancur Olson wrote that large groups are difficult to unite because of their size and their disparate interests, making collective action impossible. Similarly, *The Crowd*, a highly popular book in China, denigrates the common populace as irrational mobsters. In contrast, the Party has successfully united the Chinese people, turning the "mob" into the "masses" that have common ideals and values and rationally embark on collective action. Moreover, the Party and the people interact through the mass line. The Party leads the people while learning from them. The Party and the people share the same long-term goals. That is a new form of relations between a political Party and the people that it leads, transcending the class antagonism and populism in Western countries and distinct from Western political systems controlled by capital and special interests. China has redefined democracy. Chinese democracy is a democracy that truly reflects the original meaning of the word.

4. New economics

The Chinese approach to modernization offers the opportunity to develop a new economics.

Many Anglosphere readers would probably be students of neoclassical economics like I was. My introductory economics text was Gregory Mankiw's *Principles of Economics*. My first few years as a doctoral candidate were spent as a follower of neoliberal economic theories and research paradigms. Like many young students today, I was proud of and immersed in intricate mathematics modeling. As a former gold medalist in mathematics and chemistry Olympiads in China, mathematical modeling – whether general equilibriums or dynamic optimization – came easy to me. But I slowly discovered that there was more to economics than just elegant modeling. We have to look at the underlying philosophies and realities too.

Harvard students organized a walkout of Mankiw's class in November 2011. In an open letter, they said: "If Harvard fails to equip its students with a broad and critical understanding of economics, their actions are likely to harm the global financial system. The last five years of economic turmoil have been proof enough of this." One of my professors, Chen Ping of Peking University, said that economics teachers and students in China should read this letter since Mankiw's textbooks were even more influential in Chinese economics departments than in the US.

The facts of the past century have demonstrated the problems in neoclassical economics. The neoclassical view is that spontaneous market competition will optimize the distribution of resources and bring common prosperity to humankind. But the experiences

of 20 century show widening global polarization. In the past, economists attributed this to the failure of these “students” to fully emulate their “teachers” in economic systems of private ownership, competitive elections and minimal government regulation. Yet, the facts in a multitude of countries since the 1990s also show that the more thoroughly a country adopted Western hyper-capitalist systems, the worse their failures.

Modernization based on private ownership of capital, a liberal economy and multi-party electoral democracy has two problems. The first is that such modernization benefited countries that account for a mere 1 billion of the global population. The prosperity of the minority came at the cost of plundering the majority and depriving them of their development capacity. This path to modernization is no longer feasible for most countries. The second problem is that the Western approach created immense material wealth but failed to find a path of equitable, harmonious, eco-friendly and common development. Neither has it enabled cultural-ethical progress. Ethnic conflict, polarization, moral disorder and health crises continue to plague the world.

Why? China’s experiences show that mainstream Western economic theories are but one side of the coin. On the other side is the backwardness of undeveloped countries. In the seventh chapter, I describe how the post-WWII Keynesian era of government intervention was the most rapid, as well as a fairly equitable, period in Western economic growth. In contrast, the neoliberal reforms that began in the 1980s were fruit from the poison tree. They provided a short-term respite for capital but ultimately hollowed out industries, caused financial bubbles and polarization, and diminished the middle class. These reforms were the basis for the subsequent rise of American populism. Hence, we have to free ourselves from the strictures of neoclassical economics and build a new economic school of thought.

When I started college, neoliberal economics reigned supreme in Chinese economic thought. Over the next two decades, Chinese economists began to doubt its merits and are now building a new economics with greater universal relevance. I know of many other economists in the world pursuing the same revolutionization of economics.

5. Re-Understanding Marxism and socialism

What is the path towards innovation in modern economics? I made an attempt in this book to use Marxist political economy to explain the Great Recession and the sluggishness of global economic growth.

The seventh chapter points out that humanity is still living under the dynamics of capital that Marx reveals in the third volume of *Capital*: as capital expands, profitability diminishes. As a result, capital appreciation requires new markets, expansion into the financial sector, repression of the costs of labor, or otherwise the initiation of wars. However, these create even wider crises. The fundamental difference between Marxism and other schools regarding crises is that Marx believed capitalist economic cycles are not anomalous deviations from market equilibriums caused by speculation, policy missteps or external shocks. Instead, they are the inevitable result of the capitalist mode of production. Consequently, these crises cannot be resolved through the capitalist mode of production and can only be deflected by means such as foreign investment. Economic crises ensue when the space for such deflection is exhausted.

After finishing this book, I thought more deeply about these problems. I believe that Marxist political economy provides a stronger explanation than neoclassical economics because it is founded on observations of extended historical epochs and historical patterns, especially how production processes are influenced by politics and the relations of production (including ownership systems, distribution and the relationships between people). Its panoramic and systematic perspective makes it more scientific than neoclassical economics, which has lost its traditions of historical research and inquiry, preferring to focus on analyses of microeconomic laws to describe macroeconomic phenomena without accounting for historical and cultural factors. Moreover, the development of neoclassical economics has always been swayed by the interests of capital. Classical economics recognized the labor theory of value before the Marginal Revolution in the 1870s (when the capitalist class was ascending the rungs of political power). This theory was discarded after that because it contradicted the interests of capitalists who had already consolidated their hold over government.

In the eighth chapter, I analyze China's overcapacity, distribution between capital and labor, and the commercialization of public services through the lens of political economy. Analyses of these problems from Western microeconomic perspectives often do not yield satisfactory conclusions. But political economy shows us that haphazard market competition is the root of overcapacity while capital eats away at labor incomes and the fair distribution of public services. These may yield greater profits for capital in the short run. But as time passes, workers' spending power diminishes, overcapacity results, and economic crises emerge.

These analyses show that Marxism is not merely a "theory of revolution" but also a guide to modernization, unlike what many Anglosphere readers (and Chinese) believe. In the 1990s, Fukuyama proclaimed that history had ended. For a period, Marxism and socialism became obsolete heresies. Even in China, there were many who held such views. Marxism found itself in an awkward, even marginalized position. Some believed that discarding Marxism was the direction of China's reforms.

In response to such views, I pointed out in the original Chinese edition that Marxism was not only an ideology that called for revolution. It was also an economic theory that allowed for empirical analysis. Marxism gained new relevance after the Great Recession, both in the West and in China. In truth, setting aside dogmatic labels of Marxism and looking at the Chinese path from a macrohistorical perspective makes it easy to see that China succeeded because Marxism succeeded.

Of course, this does not imply that well-founded Western economic methodologies should be discarded. Marxism reveals the more fundamental dynamics of the economy, while Western economics makes more detailed studies of specific problems under the framework of the long-term trends revealed by Marxism. This book made some attempts in this respect. For instance, the first chapter uses the more recent fields of information economics and contract theory to explain the planned economy and SOEs. The fourth chapter uses Karl Polanyi's "double movement" framework to build a theory on the "thesis-antithesis-synthesis" cycle of the market economy.

The global financial crisis of 2008 made it possible to answer this question. From a global perspective, the global financial crisis was an inevitable consequence of capitalist globalization. Thereafter, many countries around the world began to recognize the value

of Marxism and the real-world significance of socialism. They began to suppress and improve the role of capital. Still, substantive progress is still elusive under the conditions of the Western capitalist approach. From the perspective of China's and other developing countries' growth, China was able to develop because the adoption of a socialist system freed it from marginalization and dependence on foreign powers under the conditions of capitalist globalization. It was the socialist system that allowed China and similar countries to complete social revolutions that united their peoples and built independent economic systems freeing them from the poverty trap. It was also the socialist system that sustained social stability and national security and gave them the ability for dialogue and competition with capitalist powers.

At present, the world faces economic imbalances, environmental crises and polarization. These can be addressed only through a greater socialist element in national and global policies. Thomas Piketty, author of *Capital in the Twenty-First Century*, wrote recently: Western countries are still struggling to define their attitude towards the Beijing regime. Let me say it straight away: the right answer lies in ending Western arrogance and promoting a new emancipatory and egalitarian horizon on a global scale, a new form of democratic and participatory, ecological and post-colonial socialism. If they stick to their usual lecturing posture and a dated hyper-capitalist model, Western countries may find it extremely difficult to meet the Chinese challenge. The best way to respond to China is to learn from the country to fix one's own shortcomings and build a "new socialism."

There is growing recognition that China has breathed new life into Marxism by proving its veracity and demonstrating that Marxists are even more adept at building a new world than they are at dismantling an outdated one. Marxism is neither a mere doctrine nor does it imply violence. It is a new path to modernization and a new form of civilization.

I am aware of the complicated views toward Marxism and socialism in today's world. Across the Anglosphere, there are many who have studied Marxism in detail and are supportive of socialism. They include Professor Terry Eagleton, who wrote *Why Marx Was Right*, Professor Richard Wolff, who wrote *Contending Economic Theories*, and Robert Heilbroner, who wrote *Marxism: For and Against*. I learned much from them. However, the long Cold War also left Western society with vilified views of Marxism and socialism. The result is widespread confusion, resistance and even fear of socialism. I hope that my book makes some headway in changing such views.

The course of China's modernization is ample proof that socialist China pursues universal values such as peace, development, fairness, justice, liberty, democracy and human rights, just like many other nations. Moreover, China found a new path that expanded space for humankind to realize these values. China's profound social revolution enabled equality between people and made common prosperity the ultimate goal of socialism. The Party does not have its own special interests, nor does it represent any interest group, power bloc or special class. As such, special interests do not influence China's democratic process, making it more reflective of the substance of democracy than the Western model of multi-Party elections and expanding humanity's path to democracy. Through universal access to basic public services, China has progressively narrowed regional, and class divides, allowing the majority of its populace to have farmland, education and jobs.

The full development of human potential and quality is gradually becoming a reality. At the same time, our liberty is tied to national and collective interests. The public good takes precedence over individual freedom. As of October 2021, the COVID-19 mortality rate in China was 0.39 per 100,000. That is 1/159 of the world average and 1/545 that of the US. All of these are China's contributions to the cause of human rights. Human rights progress in China is a fundamental manifestation of the people-centered development paradigm and expands pathways toward the betterment of human rights. Socialism with Chinese characteristics is congruent with the universal values of human civilization as well as a Broadway for the realization of universal human values.

6. To Readers from Global South

I dearly recommend this book to readers from Third World countries, and Global South Countries.

Since the start of its revolution, China has considered itself to be a developing country – part of the Third World. When I was a participant in international academic conferences in 2006, I made friends who hailed from African countries such as Kenya and Nigeria. I experienced their heartfelt goodwill towards China. In 2018, I attended a lecture by Egyptian Marxist scholar Samir Amin during his final trip to China before his death. I recall how he emphasized that some people have the illusion or delusion that China would soon become a developed capitalist sovereign state through reform and opening up and adopting full marketization. But he also said that that was merely the dream of Sun Yat-sen and the Kuomintang. However, Chiang Kai-shek and the Kuomintang later proved that this dream could not be realized. Before that lecture, I already knew that Amin characterized the rise of the Global South onto the stage of history as the “Awakening of the South.” Amin was a great admirer of Mao's slogan that countries want independence, nations want liberation and the people want revolution. He felt that it was this slogan that allowed China to unify the liberation of the people and the nation.

Professor Amin was keenly interested in China's socialist cause. In May 2018, I presented the English abstract of this book to him hoping that he would grace it with a commentary. He agreed but wrote in his email that: “I regret that I shall not be able to benefit from its reading, as long as the book will be in Chinese only.” In my reply, I said that “I will consider translating part of the book to English in the future.” Unfortunately, Professor Amin passed away in August of the same year at the ripe old age of 88. Today, with the completion of the English translation, I think of Professor Amin, who taught me that all who hope for human progress share a common language.

Many countries were once caught in the “poverty trap” or “middle-income trap.” Still, that does not mean that undeveloped countries will always be behind the curve. Income levels in China were among the lowest in the world in 1949. Today China is about to become a high-income country. I explain in the seventh chapter that the middle-income trap is essentially a capitalist trap. As the Latin American scholar Theotonio Dos Santos believed, building a society capable of reaching the development stage reached by today's developed countries is impossible under present historical conditions since the same historical process that created the state of underdevelopment also engendered economic development (the development of capitalism). The inherent logic is precisely what Marx had long ago revealed: the expansion of capital causes the crises of capitalism, which

are then passed by countries in the center to those on the periphery. This is the ultimate cause of the middle-income trap.

Why is it that periphery countries in the global capitalist system cannot achieve the same modernization as Western countries, contrary to the expectations of neoclassical economics? I provide an explanation in this book. First, the capitalist systems in these countries were often imposed by external forces. Since these countries have never gone through social revolutions, traditional economic structures, social structures, clan power and hierarchies continue to hold broad sway. Secondly, if the “marginal countries” join the global capitalist system, it will inevitably be difficult to compete with global capital. Some countries have initially established industrial systems, but under the pressure and impact of external capital, the lifeline of the national economy has been manipulated by international monopoly capital and has lost the ability to develop independently. In addition, many countries have introduced western competitive election democracy, which has led to social fragmentation and confrontation. Political parties have no power and ability to implement long-term economic and social development plans, which is a major drawback for a country that has not yet achieved modernization. China’s experience has proved that the socialist system can get rid of the cyclical crises of capitalism and enable backward countries to embark on the road of independent development.

That is akin to how no one in the Middle Ages realized, until the Renaissance, that later generations would see that era as a dark age. People today, perhaps, lack confidence in a brighter future.

I hope that English-language readers will read this book because I believe that China has shown a new world is possible. As described in the book, China has proven that a culture where ordinary workers are the leading actors is possible; affordable education not geared towards test results is possible; non-profit healthcare that serves the working masses is possible; a society where job security for the man on the street is possible; a society where people are not commodities and their lives are historically significant is possible; and a self-reliant economy not dependent on foreign capital is possible.

China is proving through action that the problems faced by humankind are not intractable. The human race has a bright future as long as it stands on the right side of historical progress. Each of the world’s nations can continue to advance on the basis of their present foundations. Inequities, exploitation and oppression can be eventually eliminated as we march towards a brighter tomorrow.

Inside and outside of China, there are also those who ask how China will act towards foreign countries after it develops. Will it “export revolution?” Our answer is that modern China has its roots in ancient China. Chinese tradition has a profound impact on the country today. The Chinese have always been an inclusive nation that has never started wars because of ideological or religious differences, unlike in Western history. Conversely, different ethnic groups, cultures and religions have met and converged several times in China to form the Chinese nation and Chinese culture of today. In comparison, capitalist modernization in the West led to global colonization to serve the expansion of capital, plundering the economic surplus of the Third World through unfair terms of trade. China will not go down this route.

To someone immersed in China’s 5000-year-old culture, it is easy to understand the maxim that hegemony never lasts – what goes up must always come down. The People’s

Republic was founded under an unjust global order and deeply understood the problems of the center-periphery situation. In addition, Marxist theory also shows that global injustice prevents not only underdeveloped countries from modernizing but also lands developed countries in crises. Thus, contrary to Western imagination, China's promise to never seek hegemony is not a tactical ploy. It is a principle founded in Chinese history, culture, beliefs, and pragmatic interests.

China's successful development has given confidence to the world. As the logic of China's development that I described reveals, China will not only seek to colonize the world as Europe and America did during their modernization. Rather, China believes that a fairer international order benefits the development of all countries.

7. A new era in China

After the completion of the Chinese edition of this book, China's modernization made new strides. At the same time, the world encountered new changes that are also related to the themes covered in the book.

In 2017, the 19th CPC National Congress announced that socialism with Chinese characteristics had entered a New Era. For English-language readers, this can be understood as the third milestone in the history of the People's Republic (the first two were the founding of the state and the reforms of 1978). What is the new era? First, the long-suffering Chinese people have made a tremendous advance from standing up to growing prosperous, ushering in the bright prospect of national rejuvenation. Second, scientific socialism has been revitalized in 21st-century China, making socialism with Chinese characteristics a banner of pride in the world. Third, socialism with Chinese characteristics has expanded the pathways for developing countries to modernize. That provides a new option for countries and peoples who seek rapid modernization while retaining their autonomies. It is also China's contribution to solving the problems of humankind. All in all, this proclamation by China tells the world that the country will succeed on its own terms. The path that China takes will not pose a threat to the world. Conversely, its success will provide more countries with hope. China will continue to learn from advanced cultures while sticking to its own path and creating a new form of human civilization.

In 2021, President Xi Jinping, on behalf of CPC, made an authoritative summary of the characteristics of "Chinese style modernization". China's modernization is a modernization with a huge population, a modernization of common prosperity for all the people, a modernization in which material civilization and spiritual civilization are coordinated, a modernization in which man and nature coexist harmoniously, and a modernization of peaceful development. Our modernization has abandoned the old road of capital centered, polarization, materialistic expansion and expansion. China expanded the way for developing countries to modernize, and provided a new choice for countries and nations in the world who both hope to accelerate development and maintain their own independence.

China's modernization is a modernization with a huge population. It has transformed the huge size of population and land into development advantages. It believes that the unity of the country, the unity of the people and the unity of all ethnic groups in China are the basic guarantee for the success of the modernization cause, avoiding the contra-

dictions and conflicts caused by internal differences in many populous countries.

China's modernization is the modernization of common prosperity for all the people. The modernization of the west is dominated by capital, the production is aimed at capital proliferation, and the distribution is centered on capital interests. Chinese style modernization centers on the people, aims to meet the real needs of the people for a better life, and takes the all-round development of people as the goal and destination of modernization. It has created the largest middle-income group in the world, and will enable more than a billion people to live a life of common prosperity in the future.

China's modernization is the modernization of coordinated development of material civilization and spiritual civilization. The essence of capital-led modernization is that capital rules people and simplifies people into production factors. People's all-round development is covered up by materialism, which will inevitably lead to the corresponding ideology of commodity fetishism, materialism, hedonism, consumerism and individualism. The penetration of capital into the social sphere has led to the fragmentation and atomization of the social structure, class antagonism, ethnic and religious conflicts, etc. China's modernization, while creating enormous material wealth, adheres to the traditional virtues of the Chinese nation and the advanced socialist culture, and pursues all-round human development and social progress.

China's modernization is the modernization of harmonious coexistence between man and nature. Under the western modernization mode, capital pursues profits endlessly, resulting in unrestrained demand for nature. The Communist Party of China insists that green water and green mountains are golden mountains and silver mountains. It complies with the laws of nature, takes the initiative to assume the responsibility of a big country, practices the "double carbon goals", and protects the rights of developing countries, avoiding the transfer of polluting industries from western countries to developing countries and restricting the development of developing countries to maintain a development model of high consumption and high emissions.

China's modernization is the modernization of peaceful development. The tide of world modernization has brought different countries closer and closer. Major western countries expanded and plundered in the process of modernization, turning backward countries into their own places of commodity sales and raw material supply. After World War II, they placed developing countries in an unequal position through their political, economic, scientific, technological, military and cultural advantages, forming a "center periphery" structure, which seriously hampered the development of developing countries. The prosperity of a few Western countries comes at the cost of the long-term backwardness of former colonies and affiliated countries. To a certain extent, this unjust pattern of modernization has also led to the shrinkage of the markets of developed countries and the imbalance of the global economy. China's modernization has always adhered to peaceful development. It will never seek its own development at the expense of other countries. Instead, it will adhere to mutual benefit, win-win results and common development, and win more room for its own development by promoting global fairness and justice.

Humanity ran into the COVID-19 pandemic in 2020, the worst catastrophe in global public health in over a century. As of March 2022, over 460 million have been infected and 6.09 million have died. The US has seen over 81 million cases and over 990,000

deaths. Comparatively, China has the lowest rates of infection and deaths in the world. The theories in this book can also explain how China achieved this success: the Party does not have its own special interests. Instead it prioritizes human life, opting to sacrifice economic growth even if that is the cost of a zero-COVID strategy to protect lives. China's healthcare system is based primarily on public hospitals. As such, the interests of capital do not distort the health system, allowing the country to provide systematic, sustained, rapid and affordable medical care. The Party also has grassroots organizations in cities, villages, factories, communities and schools. Party members, like volunteers in the West, serve community members and thereby win the trust of the people. This allows anti-COVID measures to be coordinated with minimal costs. The COVID-19 pandemic is a disaster that requires global solidarity. Compromise will only bring sustained harm to sustainable development. I believe that the experiences and strengths of China's system in combating the virus will boost global faith that the pandemic will eventually be beaten.

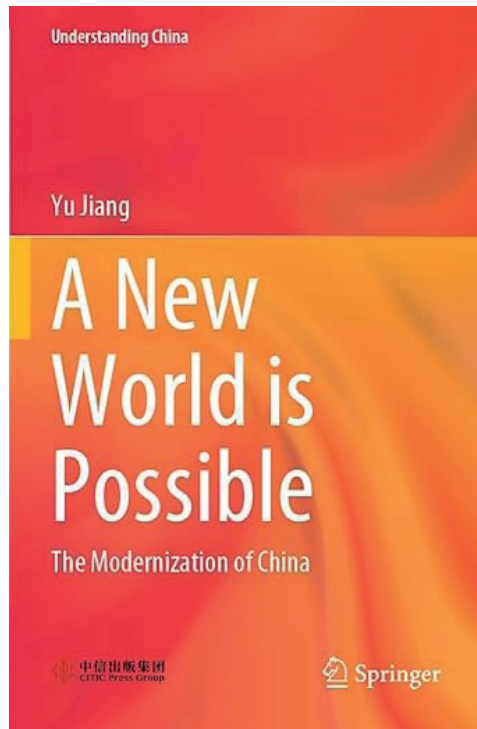
Armed conflict broke out between Russia and Ukraine in 2022, a microcosm of the global changes facing humanity. The post-WWII cycle of rapid and stable economic growth has ended. In the third decade of the 21st century, the world will face many challenges: the pandemic, economic stagnation, global inequities, a reversal of globalized trade, wars... The Chinese believe that disease must be treated at its root. The ailments of the world today stem from the capital-led model of modernization that took form in the modern era. This capital-centric path is polarizing, materialistic, and teems with war and plunder. Comparatively, China's new path to modernization puts the people first, balancing material wants and cultural-ethical progress. It is a path of peaceful development where man and nature coexist. Unlike the US, China will not impose its model on other nations. The Chinese believe in the golden rule: act as you would have others act towards you. We also believe in the value of diversity.

I express these views frankly because I believe that humanity needs to build a new world together, a world where people regard one another as equals, countries coexist peacefully, man is in harmony with nature, and every person can fully and freely develop. The Chinese path to modernization will help to bring about such a world. Yet, the Chinese approach is still ongoing and the China Model will continue to refine itself. Interactions between China's development theories and practices with the rest of the world will create a better future for all.

The English-speaking world still has many misconceptions regarding China. Another of my goals in writing this book is to address these misconceptions. I have also pondered why China is misunderstood by foreigners. There may be many possible reasons. Differences between Chinese and Western ways of thinking, cultures and languages. China's basic systems and development approach unfamiliar to those accustomed to Western models. One-sided, subjective media reports influenced by private interests. Still, just as snow will always melt in spring, as a Chinese, I hope that this book gives interested Western readers a picture of the Chinese path to modernization. I believe that the story of China's journey will enable people to more fully understand the country and eliminate their biases.

The story of China's modernization is a story of hundreds of millions of families changing their destiny through their fortitude and honest labor. It is a story of how 1.4

billion people relentlessly pursued their dreams. It is a story of how a nation with lofty ideals sought to find a new and brighter path for humankind. I believe that you will feel the same when reading this book.



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This book gives a panoramic review of China's 70 years of modernization, reveals the historical process and logic of the formation of the modernization path with Chinese characteristics, especially focuses on the key decision-making process in the history of China's modernization, theoretically compares the Chinese model and the western mainstream model and summarizes the characteristics and experience of China's development model. At the same time, it reveals the causes of the global crisis from a historical perspective and puts forward the future of China based on historical experience.

The book tries to answer the following hot-debating questions: What is the core of Chinese experience? Is China model a new model of modernization? Is China's model sustainable? Is this model compatible with the mainstream model? What is the relationship between China's revolution and modernization? How will China's development affect the world?

This book will be found helpful by all scholars, students and the public who are interested in China's development path.