

Marxism and “Socialist market economy”

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1.The conclusion that commodity production and exchange do not exist in a socialist society made by Marx is scientific and logical. “Socialist market economy” is not theoretically negative to the Marx socialism views.

In fact, Marx judged socialism from the perspective of liberation for the proletariat.Marx proved that socialist society is one without any social classes in a scientific way. He regarded the realization of social ownership, the nonexistence of commodity production, social classes and state and so on as the conditions for proletariat liberation. To realize such a society, we have to experience a process, a process characterized by “transition period” after the transition of the state power to the proletariat. The task of the transition period can be summarized to eliminate the private ownership or social classes. In the theoretic framework of Marxism, socialist countries should take the achievement of elimination of social classes as the premise.

Later on the pragmatic socialists often define socialism from the aspect of the practice of socialist countries and the economic state in a certain period of transition period. This kind of perspective on socialism differs from Marxist socialism. If we don't recognize this difference and treat the development state of certain period in transition period as the standard of socialism to test Marxism, we will have no alternative but to deny the scientific nature of Marxist socialism to some extent.

In the 20th century, all the socialist countries declared the entry into the first stage of Communism or socialist society without the fulfillment of tasks of the transition period. In theory, Stalin did not achieve the socialism with "elimination of the exploiting class", although he claimed he did. China builds a socialist society which integrates diversified economic ingredients while taking the public ownership as the main body; however, it has not completely removed the exploiting class either. Therefore China has a long way to reach the initial stage of Communism. In the real

socialist countries, many are still undergoing the transition period or even prior to the transition period, so it's inevitable that commodity production and commodity exchange exist.

Marxist socialism theory does not deny the commodity production and the commodity exchange during the transition period logically; moreover there are elaborations on such matter. These can be found in Marx and Engels' books. Bourgeoisie productive relations should be governed by such measures as levy of high quota progressive tax to converge the credit to the state ("the Communist Manifesto"). The bourgeoisie can be exploited gradually by national industrial competition and redemption of paper currency ("the Communism Principle"). They also conceived that the ownership during the transition period never exclude the preservation of rent relations. ("on Housing") Through the loan, the mortgage debt and so on, help can be provided to the farmer cooperative community ("French and German Farmer Question"). All the above are the evidence that they acknowledge and utilize the commodity and currency relations in the transition period. The afterwards socialism practice has surmounted Marx greatly, but in theory, "socialist market economy" is not the first stage of communism market economy and the Marxist framework of transition period remains the guidance for socialism. Up to now, no one can render any theory or evidence to prove that commodity production exists after the elimination of the social classes.

2. Develop Marxist transition period theory and improve the "socialist market economy" theory under its instruction

Marxism socialist theory is a science which should be developed with the passage of time. Nowadays the development of Marxism transition theory should be the priority and we should develop the Communist first stage theory in light of actual conditions.

Marx's transition period theory focuses on the goals, tasks and prerequisites for transition. In the 20th century, socialist countries were suffered from economic backwardness compared to capitalist countries. Therefore, to achieve the shift from economic backwardness to the first stage of Communism with no social classes and

commodity production is a long-term historic process, a process which has various stages and even setbacks. Lenin put forward that we can transit to socialism from the middle link—state capitalism. As a result, Marx's transition period theory was developed into circuitous transition theory.

Lenin's circuitous transition theory forms a significant development for the Marxian socialism theory. Marx pointed out that "The socio-economic formation is a kind of natural historical process"(the "Das Kapital" first edition preface), "regardless of the form of a society, it will not perish before the productive forces has functioned to its full capacity; the new and senior productive relations will not appear before its physical existence condition is mature enough in the old society womb("Political economy Critique "preface).

To develop commodity production and exchange by means of the non- public economy and capitalism is the recognition and concrete application to Marxism basic theory in the circumstances that economically backward countries persist in the socialist road.

(3) Acknowledge the dual character of market economy, develop the "socialist market economy" theory and avoid the risk of sliding to the new liberalism.

The conclusion that commodity production will inevitably lead to capitalism constitutes the basic concept of Marxism economics. That's why Marx and Engels relentlessly criticized Proudhon and the Dulin for their proposition of socialism with commodity production. Marx Engels said the commodity production can cause capitalism, which refers to the commodity production completely regulated by the law of value and is a general truth. They do not mean that commodity production in whatever forms in all weather will lead to capitalism in practice.

Marx and Engels criticized the socialism theory that liberation of workers thoroughly can be achieved by means of commodity production which ends in an eternal commodity production socialism theory. Stalin's view that socialist commodity production will not lead to capitalism complies with the general principle of Marxism. Stalin put many restrictions on it however, such as two kinds of ownership, labor force not being commodities, no participation of capitalists,

productive materials not being commodities, the value of law cannot regulate production, judging the enterprises' performance in terms of overall interests and etc.

Without these restrictions, Stalin said that capitalism will be reactivated. It's a basic truth that commodity production will lead to capitalism and if not there should be conditions. We may criticize Stalin for exerting too many limits on the commodity production which cannot be attained in Soviet Union's reality. However, in methodology, it's not wrong for him to say that commodity production with no restrictions will lead to capitalism. The socialist market economy claimed by Marx is an economy of a transitive nature. Though it maintains to be stable in a long period of time, yet it's not the market economy in original meaning and is not capitalist market either. It may have some in common with other types of market economy but differs from them fundamentally. The difference in ownership and economic mechanism is a coin with two sides.

The "socialist market economy" mechanism varies from capitalism market economy according to the differences in the system of ownership. This kind of difference is in the interests of labors. If we ignore the dual character of commodity production and market economy in theory, deny the possibility of market economy leading to capitalism, disregard the special nature of socialist market economy, worship the law of value and market regulation only, it will yield harmful impact on the sound development of socialist economy. If we develop socialist market economy theory according to the mentality as said above, we will slide to new liberalism in time.