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## **China's Leadership for Sustainable Development in a Changing World**

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The worsening poverty and environmental crises brought about by global capitalism renders sustainable development the primary issue that must be addressed by socialists and Marxists across the globe. These crises are occurring amidst the backdrop of a rapidly changing geopolitical landscape in which a shift in power from the nations of the North to the nations of the South will likely accelerate – and quite possibly usher in a new global economic order. China is playing a leading role in this transition, and is well-positioned to take the lead in initiating a model for economic and social development that could help guide the world to a sustainable future. This paper will explore these issues, using the guidance of some of the writings of Karl Marx and others that are relevant to the task.

Sustainability is a term that is usually applied to both the ecological hazards of economic development and the need for renewable energy resources. However, the term is also applied to social development, stressing the need for an economic system that empowers the members of society to maximize their human potential. This broader definition of sustainability was supported by Marx and Engels throughout the Communist Manifesto – at one point by stating that a goal of communism is “to widen, to enrich, to promote the existence of the laborer” (2006, 11). As an example of a programmatic implementation of this goal the Manifesto calls for “free education for all children in public schools” (2006, 15).

One reason why ecology and energy get the most attention in discussions of sustainable development is the grave challenge facing the world with respect to the relationship between humanity and nature. We are reaching a stage of history where the ecological devastation arising from capitalist development threatens not only the survival of our species but the planet itself. Unfortunately capitalism, the logic of which dominates the world economic order, cannot solve this problem.

## **The root of the problem of sustainable development**

The engine of capitalism is commodity production. Historically, the original purpose for producing a product was for its use-value, which Marx describes as: “a thing which through its qualities satisfies human needs of whatever kind” (1990, 126). However, the advent of the capitalist mode of production gave prominence to producing goods and services that comprise not only use-value but, more importantly, exchange-value, i.e., commodities that can be exchanged on the market to generate a profit. Indeed, in volume 1 of *Capital*, Marx states, “The wealth of those societies in which the capitalist mode of production prevails, presents itself as an ‘immense collection of commodities’”(1996, 45). Undeniably, the dream of capitalism is the ultimate commodification of everything: schools, health care, military, prisons, and even interstate roadways.

This state of affairs leads to what Marx called “commodity fetishism” wherein all realms of society become dominated by commodity production and consumption, including production modes and relations, environmental values, and all aspects of culture. Since the final goal of production is to make a profit, unfettered growth in the productive forces is constantly accentuated, often to the detriment of the environment. Also, consumption must be aggressively promoted in order to keep the demand for more commodities rising. A recent public display of commodity fetishism in action was when the President of the USA urged the nation after the September 11 attacks to, in essence, “go shopping” (Frank Pellegrini, “The Bush Speech: How to Rally a Nation,” *Time*, September 21, 2001). On December 20, 2006, President Bush repeated his advice – this time given to bolster the sagging economy – by saying, “I encourage you all to go shopping more” (*Press Conference by the President*. Accessed at <http://www.whitehouse.gov/news/releases/2006/12/20061220-1.html> on January 12, 2008).

The overwhelming influence that commodity fetishism has on society masks the class nature of the capitalist mode of production. As David Pena puts it:

In other words, capitalist society is so completely dominated by commodities that it seems like social life is governed by the eternal natural laws of commodity production and exchange when in fact it is human beings who are doing the dominating. One class of human beings (the capitalists) oppresses another class of human beings (the working class) through control of commodity production. Commodity fetishism causes people to view this form of domination as perfectly normal and immutable. (2007)

The other side of commodity fetishism is the problem of over-consumption that results from it. This is especially evident in the advanced capitalist countries and is an impediment that must be overcome if the earth is to have a sustainable future. According to Jared Diamond, (“What’s Your Consumption Factor?” *New York Times*, January 2, 2008), “the average rates at which people consume resources like oil and metals, and produce wastes like

plastics and greenhouse gases, are about 32 times higher in North America, Western Europe, Japan and Australia than they are in the developing world.” Moreover, consumption will, of course, increase in the developing world as its residents become capable of supporting a higher standard of living. But, according to Diamond, if the entire developing world were to catch up to the level of consumption of the US, “it would be as if the world population ballooned to 72 billion people (retaining present consumption rates).” Obviously the world cannot support such a fate, but Diamond suggests that we could avoid disaster by creating a “stable outcome in which all countries converge on consumption rates considerably below the current highest levels.” Diamond believes that “real sacrifice wouldn’t be required,” however, because so much of the consumption in advanced capitalist countries is wasteful and does not contribute to the quality of life. Diamond goes on to point out that some of the production methods currently employed are wasteful in industries such as fisheries and forest products, but that operating these industries according to already known methods would allow us to meet the global demand for such products in a sustainable way. Diamond’s suggestions have merit but, unfortunately, as long as the logic of capitalism prevails they will mostly fall on deaf ears.

### **The changing geopolitical landscape**

Clearly the problems of – and final solutions to – sustainable development are global in nature. Consequently, our ultimate concern is the global economy and whether or not it will eventually follow a sustainable path. For this reason we must take a look at the changing global power relations and try to draw out the implications for the possibility of a sustainable future.

Joshua Cooper Ramo, author of the monograph, *The Beijing Consensus*, believes that the ascension of China as an economic power could be the harbinger of a new economic order that would promote mutual respect among nations and make the world a “safer, more equitable place” (60). Ramo says, “China’s rise is already shaping the international order by introducing a new physics of development and power. ... China’s new ideas are having a gigantic effect outside of China” (2-3). Ramo calls this package of ideas the Beijing Consensus, asserting that it “offers hope for the world” (60). One of these ideas is “localization,” a doctrine that stresses the importance of allowing development to be custom-made to local needs. This concept contrasts sharply with the “standard” reform package mandated by the policies of the IMF, World Bank, and US Treasury Department, collectively known as the Washington Consensus. Another idea that China is promoting is “multilateralism” which recognizes the importance of mutual respect for political and cultural differences between nations and stresses cooperation, rather than unilateralism, in constructing a new global economic order (32-40).

It is easy to see why nations of the global South are drawn to ideas such as these, having experienced the results of the increasingly discredited Washington Consensus. As Ramo says, China is marking a path for other nations around the world who are trying to figure out not simply how to develop their countries, but also how to fit into the international order in a way that allows them to be truly independent, to protect their way of life and political choices (3).

China's role in promoting an alternative development path to the world has been bolstered by its leadership in helping Southern countries get out of the grip of the IMF. China, along with several countries of the South, are producing goods and services at lower prices than the North, and consequently the South is beginning to generate a surplus of capital. An increasing amount of this surplus is being rerouted to other Southern destinations. According to Jane Perlez of the *New York Times* ("China Competes with West in Aid to its Neighbors," September 18, 2006), China recently announced an astounding loan package to the Philippines of \$2 billion each year for three years. By comparison, the World Bank and Asian Development Bank had offered only \$200 million. Responding to this financial transaction, Giovanni Arrighi, author of *Adam Smith in Beijing*, had this to say: This was just one of a large and growing number of similar deals in which China has been out-competing Northern agencies by offering Southern countries more generous terms for access to their natural resources; larger loans with fewer political strings attached and without expensive consultant fees; and big and complicated infrastructure projects in distant areas at as little as half the cost of Northern competitors (383).

Other cash-rich countries have complemented the Chinese initiatives by redirecting their surpluses to the South. For example, on March 9, 2006, the *Los Angeles Times* (Mark Weisbrot, "The Failure of Hugo Bashing") reported that Venezuela has committed \$2.4 billion to Argentina so that it could extract itself from the clutches of the IMF, and Venezuela has purchased \$300 million in bonds from Ecuador.

Howard French, writing for the *International Herald Tribune*, ("The Cross-Pollination of India and China," November 10, 2005), finds particular significance in the growing investments by China and India in each other's economies: In its next incarnation, globalization will be more about interpenetration. ... interpenetration means that the world's emerging economic powers will begin to globalize each other, creating new sectors in each other's markets, infusing each other with capital, and drawing on each other's giant pools of talent. Recent word of huge new investments by India and China in each other's booming economies – most specifically in their red-hot information technology sectors – may just presage the dawn of this moment, one in which the giants of the developing world finally and truly discover each other.

What does French say such a cross-pollination of these two giant countries, with over 2.3 billion people between them, and both with rapidly developing technology sectors, represents for the future of the world?

What it clearly means already is the day when a cozy club of the rich – the United States, the strongest economies of Western Europe, and Japan – sets the pace for the rest of the world, passing out instructions and assigning grades, is fast drawing to a close.

The geopolitical reality that the above examples represent is that the hegemonic control that the US has enjoyed for so long is in decline. With the IMF loan portfolio at its lowest level since the 1980s, its influence (and thus that of the US) over global economic policy is greatly diminished. As Arrighi puts it, “the financial underpinnings of US and Northern dominance rest on increasingly shaky grounds” (381).

Arrighi believes that the advent of a world-market society centered in East-Asia is becoming increasingly likely (7-8). Moreover, with US hegemony in decline the time may be ripe for a new Bandung-type alliance to be formed. The original Bandung Conference of 1955 was aimed at countering economic and political subordination of third world countries to the USA, or any other imperialist nation. A new Bandung would have a similar mission, but suitable to an era of economic globalization of unprecedented proportions. With the rising economic strength of the Global South the conditions for a new Bandung are more favorable than ever before. Such an alliance, Arrighi contends, “can do what the old [Bandung] could not: it can mobilize and use the global market as an instrument of equalization of South-North power relations” (384).

### **Prospects for sustainable development in this century**

The implications of this shift in global power from the North to the South have a direct bearing on the potential for global sustainable development during the twenty-first century. If China is to eventually become the nexus of an Asian-centered global economy it must play a leading role in charting a course capable of emancipating not only China but the entire world from the social and ecological devastation of Western capitalist development. China, along with the ruling groups of the global South (especially India), and with the support of socialists and progressives from around the world, must try to forge a model for scientific sustainable development that can serve as an archetype for the entire world.

China seems to realize that to begin creating such a model depends on it taking steps to solve some of its domestic problems. Not only must China resolve the ecological issues caused by its rapid economic development (such as clean air and water) but it must also correct the widening gap between those who have greatly benefited from such rapid growth and those who have benefited little or not at all.

Fortunately, China is fostering many initiatives in these areas; virtually every day there is an account in the Chinese or international press of innovative projects and new government policies to address energy and environmental problems, as well as social issues. For example, on December 26, 2007 China’s Information Office of the State Council issued the

country's first ever white paper on its energy conditions and policies. This 16,000 word paper includes China's proposed strategies and initiatives for energy development. Some of these include:

China will.... boost hydroelectric power and other renewable energy resources. ... China has set the goal of building a resource-conserving, environment-friendly society, and is endeavoring to coordinate energy development with environmental protection. It endeavors to make the two promote each other for sustainable development. ... It is a long and arduous task to use sustainable energy development to support the sustainable economic and social advancement. The Chinese government will strive to address the energy problem properly to realize sustainable energy development. (*China Daily*, December 27, 2007)

Another example is found in the December 18, 2007 *Baltimore Sun*: "In a bid to clean up China's rivers and spur the paper-making industry to consolidate and modernize by using wood pulp, the government has closed down hundreds of mills and targeted hundreds more for shut down by 2010".

(accessed at <http://www.baltimoresun.com/business/bal-bz.paper18dec18,0,2002894.story> on January 13, 2008).

On a regular basis notable initiatives are reported in *China Daily*. A recent sampling of these includes: "an amendment to the Law on Science and Technology Progress," which aims to create a better environment for scientific and technological innovations (December 29, 2007); the passage of the new labor law directed at tightening rules and regulations to benefit industrial workers (December 29, 2007); the increase of the individual income tax threshold to relieve the economic burden of low- and medium-income earners (December 29, 2007); the decision to establish a cooperative health care network covering all rural residents by the end of 2008, and to extend the medical insurance system to the entire population by 2010 (January 2, 2008); and the dramatically increased budget for social programs passed by the Fifth Session of the 10th National People's Congress, which includes, "a system to guarantee a nationwide minimum standard of living for farmers" (March 6, 2007).

This small sample of the initiatives China is undertaking gives a flavor of the potential leadership that China can offer in the realm of sustainable development. These efforts are commendable and must be followed through to begin creating an ongoing process that can serve as a model for sustainable development based on science and socialist principles. The emphasis that China places on innovation will serve it well in this task.

However, as the challenge for a sustainable future is global in scope, the US and other advanced capitalist countries must be constantly confronted to reign in the wasteful consumption patterns that capitalism promotes, to protect the environment, and to make an all out effort to develop renewable energy sources. The inherent greed and wastefulness of the capitalist system must be replaced by values that promote conservation and social cooperation.

For this kind of change to occur political will must triumph over the logic of capitalism. During the 20th century many mixed economic systems emerged which demonstrated that some level of political control over the economy that runs counter to the logic of capitalism is possible – state-run universal health care in some capitalist countries is but one example. In other words, given the proper determination of the people and the political system that represents them, the market can be kept in check and can even be used to promote socialist values.

Some Marxists believe it is impossible to have a market economy controlled by socialist principles, or to have some level of commodity production without incurring the evils of commodity fetishism. In struggling with these issues the respect for flexibility and innovation shown in the Communist Manifesto seems especially relevant. In the 1872 Preface to the German Edition, written 24 years after the Manifesto itself, Marx and Engels went out of their way to stress that, “the practical application of the principles [found in the Manifesto] will depend, as the Manifesto itself states, everywhere and at all times, on the historical conditions ...existing.” They went on to say, regarding the revolutionary measures at the end of Section II, “that passage would, in many respects be very differently worded today” (2006, 24). It seems clear from this that Marx and Engels had a high regard for analyzing particular situations based on specific conditions, a lesson we should constantly be reminded of.

## **Conclusion**

The changing geopolitical landscape, coupled with the ascension of China as a global economic power and its growing leadership among the nations of the South, offer the hope that through the application of socialist principles and scientific knowledge to a market economy a sustainable development model can emerge that would launch a world-historical transformation. Such a model would open up a path for achieving a satisfactory standard of living for everyone on the globe using renewable energy sources while not permanently degrading the environment, and at the same time facilitate the personal and social potential of society to be realized. The key to such an outcome lies in the principle that political control can be effectively imposed on the functioning of the market; or put another way, that political power can trump the logic of capitalism.

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