

Socialism and Ecological Crises: A View from China

Yanjie Hou

Teaching and Research Department of Marxism, Northeast Forestry University
Harbin, Heilongjiang, China

Jie Xu (Corresponding author)

Teaching and Research Department of Marxism, Northeast Forestry University
26 Hexing Road, Harbin, Heilongjiang 150040, China
Tel: 86-0451-8219-1621 E-mail: cindynefu@163.com

Received: February 1, 2011

Accepted: March 5, 2012

Published: April 1, 2012

doi:10.5539/jsd.v5n4p126

URL: <http://dx.doi.org/10.5539/jsd.v5n4p126>

Abstract

In this paper I try to figure out how capital logic caused ecological crises since capitalism developed. Furthermore I attempt to explore the relationship of capital logic and socialist countries. China, being a socialist country, is seriously bothered by ecological crises. I argued whether plan economy or market economy, when the government is deeply influenced by the lure of rapid economy growth, capital logic would dominate society, and ecological crises are inevitable. It is time for China to begin to implement controls on the market to improve ecological outcomes and rethink the concept of socialism. I conclude that ecological crises can be resolved, depending on whether China can move on from its traditional misunderstanding of socialism and make socialism redress the failure of the market. I make some suggestions, including Green GDP, restricted consumerism and narrowing the income gap. These may help to solve the current environmental crisis.

Keywords: Ecological crisis, Capitalism, Socialism, China

1. Introduction

There have been three periods of ecological crisis since the People's Republic of China was founded. The first occurred during Great Leap Forward. The production of steel resulted in extensive deforestation and the increased cropping encouraged farmers to deep plough and close plant, which destroyed land fertility. The second period of ecological crisis occurred during the Cultural Revolution. To solve the problem of food scarcity the government reinforced the importance of increasing crop production and ignored forestry, animal husbandry, fisheries, and other agricultural occupations. This policy contributed to large amounts of forest and grassland being destroyed to plant crops. The most serious ecological crisis occurred at the end of 20th century with the transition from the planned economy to the market economy in China (Teng Teng, 1998). Compared with the earlier crises, this one was wide-ranging. Half of China's seven major river systems is severely polluted by manufacturing waste and are harmful to drink; spreading desertification is threatening over 10% of China's farmland which is dangerous to the capability of providing food of its largest amount of population in the world. 300 cities can't meet the demand of acceptable suspended particulates norms defined by the World Health Organization. China's market reforms have brought about an extremely rapid increase in production and GDP since the nation embarked on opening to the world and reform in the late 1970s. However, ecological crises had simultaneously occurred with economic growth. Environmental damage has reduced GDP growth by between 8 to 13 per cent every year (Economy, 2003; Magdoff & Foster, 2003; Pan Yue, 2006).

Why have these ecological crises happened? Why has the damage increased since the market economy reforms?

Under a planned economy, when the political economy was mainstream economics in China, academics denied there were ecological problems. It was believed even less that there was any link between environmental damage and China's socialism; in fact, linking environmental damage with socialism was taboo before the market reforms. When the ecological crisis worsened, the government and academics were forced to pay attention to it. However, when neo-classical economics became mainstream economics with the emergence of the economic reforms, the answer they gave was that 'market externalities' were present. They also argued that indistinct property rights caused the 'tragedy of common land' and advocated reform of public property. A few economists

thought that privatisation would overcome the ecological crises. Neo-classical economists argued there was no alternative but to copy the developed countries' 'pollute, then treat' policy; and the countermeasures advocated were similar to those employed in western countries and included taxes on polluting activities and legislated minimum standards.

In reality, environmental damage is a problem everywhere in the world. Environmental movements have swept the developed countries since the 1950s. Sustainable development occupied the minds of mainstream and political economists and they were asked for their strategies. Neo-classical economists who dominate mainstream economics failed to solve China's environmental problems because what to them matters most is individual welfare maximisation, regardless of whether it limits economic growth (Rosewarne, 2002). Radical political economists argued that capitalism has produced the ecological crises and their theory is very useful for explaining on China's ecological problems. After all, the ecological crises which occurred under China's planned economy couldn't be explained by market externalities. However, radical political economics is less concerned by China's ecological crises, some refuse to recognise it as a socialist country; others are scathing of China's market socialism. Why did the environment suffer in China under both the planned economy and the market economy? Why did it happen in other socialist countries such as the Soviet Union? If it is true that capitalism is bad news for the environment, how do we explain the relationship between socialism and ecology? We shouldn't simply deny that socialist countries can damage the environment, in fact, if we explore the causes of ecological crises in China on the basis of social relationship, it will help us to understand the principles of socialism as well.

This paper examines the contribution of Marx in providing a basis to view environmental problems by considering social relationships, and furthermore argues that there is a relationship between China's ecological crisis and socialism.

2. Marx and Ecological Crises

Should Marxism be responsible for socialism's ecological crises? Social ecologists used to claim that Marx was an anti-ecological economist; what he was concerned with was purely production and class struggle. However, more and more political economists came to realise that Marx's theories contain ecological theory and are an important guide to help us solve our environmental problems. Marx was by no means a human-centred political economist; he was aware of the environmental problems inherent in capitalism and tried to solve the conflict between humanity and nature on the basis of conflict among people (Pepper, 1990; Kovel, 2002; Foster, 2000). In *The Economic & Philosophic Manuscripts* of 1844, he wrote:

But nature too, taken abstractly, for its self—nature fixed in isolation from man—is nothing for man ... The human essence of nature first exists only for social man; for only here does nature exist for him as a bond with man—as his existence for the other and other's existence for him—as the life-element of human reality. Only here does nature exist as the foundation of his own human existence. Only here has what is to him his natural existence become his human existence, being of man with nature—the true resurrection of nature—the naturalism of man and the humanism of nature both brought for fulfillment (Karl Marx, 1973: 137).

Marx didn't predict how capitalists would use consumerism to overcome economical difficulties, resulting in serious environmental degradation. He played an important role in environmental movements by giving us a theoretical basis to view environmental problems as a result of social relationships. Of course, Marx didn't predict that socialism would begin in poorer countries; he expected that it would be founded in the most powerful European countries. Marx described with enthusiasm:

Communism therefore as the complete return of man to himself as a social (i.e., human) being—a return become conscious, and accomplished within the entire wealth of previous development. This communism, as fully developed naturalism, equals humanism, and as fully developed humanism, equals naturalism it is the genuine resolution of the conflict between man and nature and between man and man. (Karl Marx, 1973)

Marx never thought that ecological problems could develop in a socialist country. In his view, socialism is a society which implies sustainable development.

Alienation of humanity and nature derives from alienation of people from one another. Japanese scholars showed that ecological crises in modern times began in the 1800s, in the early days of industrial civilisation (Qin Yicheng, 2001). We can further explore the relationship between ecology and capitalism by considering the basic capitalist tenet of profit. Capitalism is dominated by private property and the exchange of commodities for profit, or as Marx put it: 'Surplus-value which, for the capitalist has all the charms of a creation out of nothing' (Karl Marx, 1974). Obedience to the rule of profit means that nature must submit to the rule of the market. For

capitalists, nature is meaningless except as a resource from which to profit, thus corrupting the link between the environment and the economy. A healthy environment is a prerequisite for a healthy economy because the economy depends on resources provided by the environment to produce, exchange, distribute and consume goods. At the end of the process, the goods will be returned to nature, often as waste. The connection between humanity and nature means that we should produce only what the environment can handle, but the unconstrained production of capitalism does not respect this connection. What is needed is a rational economy, not a rational ecology. Wealth is produced at the expense of nature; the rule of capital overpowers the rule of nature.

In a society controlled by capital logic, the rationale for production is surplus value. 'Capital has one single life impulse, the tendency to create value and surplus value, to make its constant factor, the means of production, absorb the greatest possible amount of surplus-labour' (Karl Marx, 1974). With the improvement of technology, consumption plays a more and more important role in constraining maximisation of profits. Capitalism needs to increase consumption to be able to increase production. Consumerism is embedded in the commoditisation of society through advertising and other marketing strategies (Koritz & Koritz, 2001). Consumerism is the best way for capitalists to manipulate society to maximise surplus value. When consumerism dominates society, consumption is not just for necessities, but more for status; it even makes consumption itself the meaning of life. For an example, fashion is typical of consumerism. By the use of strong media propaganda, commodities have been given a symbolic meaning; they are an indication of one's social class, even though they perhaps have little practical value. Consumerism strengthens the conflict between human and nature; wasting many precious resources (Hamilton, 2002).

Historically, we can see how the environment was increasingly degraded with the development of capitalism and globalisation. Initially people were separated from their land. The Enclosure Movement threw whole villages from their ancestral lands, leaving peasants with nothing to sell but their labour; this was just the start of the ecological crisis. Natural resources were taken from peasants and public land was sold to private interests (Qing yicheng, 2001). Alienation of nature is accompanied by the alienation of labour. With the success of capitalism, ecological crises spread all over the world. In order to maximise profit, nature becomes a resource for production. Once nature is commoditised, it is used by only a minority of wealthy people and a few developed countries. It becomes a tool for capitalists to make surplus value at the expense of the majority. With increasing wealth, developed countries exported their polluting manufacturing operations to developing countries and now concentrate on more profitable, clean, high-technology industries. They also try to be an example for developing countries, extolling the 'pollute, then treat' solution as the best model, claiming that ecological crises will be solved after economic growth. But when developing countries copy their model, ecological crises and social crises happened simultaneously. The society and economy become unsustainable.

3. China's Ecological Crises

Since market logic caused the ecological crises in capitalism, was there capital logic in China? Before market reform, we believed we could conquer the universe as long as we worked hard. We believed we could 'make the mountains bow their heads, make the rivers flow uphill' (Lionel & Timothy, 2007). At the time, we treated Marxism solely as a philosophy of class struggle, ignoring his theories of alienation of humanity and nature. We believed we could conquer nature, that humans must dominate nature in socialist countries. We thought that what Marx said would only happen to a capitalist country. We never thought that capital logic could exist in China. Although we realised China's socialism is based on the semi-feudalism and semi-colonialism that existed before the revolution, we believed that strong economic growth could solve all our problems.

Only professional scientists understood the way the environment could restrict the economy. Neither the government nor the people realised what ecology meant to us. Before the 1980s, we did not fully understand how industrial economies could affect the environment. We laughed at what happened in capitalist countries and believed 'it won't happen in socialism' (Qugeping, 1998). Being a country without advanced technology, it was natural to depend much on changing natural resources into material goods to increase productive force. Since we constructed a highly centrally-governed planned economy, top-down management and state-owned enterprises controlled 90 percent of China's economy, the policy of economy growth was carried forward by enterprises. All the capital and resources of state-owned enterprises were provided by the government and all their production would be taken by government. No-one cared about wasted input because the policy required only output. State-owned enterprises were even given extra incentives to increase production and engage in extra-plan activities regardless of how much was wasted. High output resulted from high input.

We didn't realise when we were in the reverence afforded to economic growth, we had been controlled partly by the capital logic. Socialist leaders believed that if they could reach or surpass the capitalist countries'

economic growth, it would show that socialism is better than capitalism. As long as admiration of economic growth controls socialism, socialist countries can't help but be trapped into turning natural resources into commodities. Nevertheless, the low level of industrialisation and the restriction of consumption meant that the early ecological crises were not very serious.

The most serious ecological crises happened after the market economy reform. Through market reform, China has made economic advances that took Western countries a century to accomplish. But it is also true that the environmental problems which have troubled Western countries over those 100 years have been visited on China within just three decades (Panyue, 2006). Reasons are explained by the way market logic controlled social production, distribution, and consumption and government policy.

First, with the transition to a market economy, the Central Government gave more authority to regional and provincial planners; local government and enterprise could decide their own investment priorities. But the attitude to economic growth didn't change except that Material Products System (MPS) which stresses the collection of output data in physical terms, was replaced by GDP. To some extent GDP and MPS are the same because environmental protection projects often fail to be included in production. Officials insisted on an 'economy-overrides-all' perspective. The boundaries of rights and obligations to environmental protection often became blurred. Meanwhile, environmental problems have been caused in many provinces due to their failure to take the fragile ecological system into account when planning the construction of power generation and chemical plants (Zhang Shiqiu, 2004). Many provinces have failed to meet the major environment protection targets of the 10th Five-Year Plan (2001–05), although they have met and exceeded the plan's GDP targets in advance.

Second, in a market economy, enterprises have only one only goal: to maximise profits, which means that the market controls them. They try their best to decrease cost and make profits regardless of the ecological effects of their operations, especially when there was no law to punish them because of the imperfect market system in China. It is estimated that 80 percent of benefits to township and village enterprise in China were at the cost of the environment (Dai Xingyi, 1998).

Third, environmental degradation has led to greater inequity of wealth distribution. There is a tendency for polluting industries to be relocated from developed countries to China, largely a result of pressure in developed countries to clean up the environment. Although they all know what disasters these enterprises bring about, leaders and citizens in poorer countries still accept these industries for the profits and employment they produce. They still expect they can solve pollution as they develop their economy. The increased income of a minority is at the cost of the environment of the majority, the income of developed countries is at the cost of the ecological balance of poorer countries, and the income gap worsens the ecological crises. Ecological crises cause lots of social issues.

Fourth, to make matters worse, the market controlled consumption. Many Chinese were lured into consumerism by advertising and like to show off the luxury goods they own. It is estimated China has become the third largest consumer of luxury goods, even though its average per capita GDP is lower than that of the top 100 nations. Many rich people indulge in consumption and are uninterested in charity or investment. There is a popular view that our reform should help Chinese reach the living standards of Americans. It can't happen. If the people all over the world expect to live as do Americans, we will need 15 times the productive land on the Earth. It is impossible (Trainer, 2002).

A market economy makes capital logic dominate society, and combined with consumerism and the income gap, ecological and social crises are inevitable. We can attribute the early two crises to a poor understanding of the relationship between economy and ecology. It is most regrettable that even when we know what will happen if we destroy the environment, that we still destroy it.

4. Solutions

The ecological crises in China make us rethink the most important question: what is socialism? It is obvious that it is a one sided approach to think of socialism as being identical to economic growth. Economic growth doesn't mean everything. On the contrary, economic growth based on alienation of humanity from nature will lead to alienation of people from each other. Socialism is a synonym for an associated producer, as Marx described, and aims to ensure the people's well-being over a long time frame, so conforming to the principles of sustainable development. However, when theories are put into practice, there are many difficulties, especially in a country like China. The big problem is how to make a producer associated? How to make public-owned property work? Marx left us a puzzle.

The capitalist mode of appropriation, the result of the capitalist mode of production, produces capitalist private property. This is the first negation of individual private property, as founded on the labour of the proprietor. But capitalist production begets, with the inexorability of a law of Nature, its own negation. It is the negation of negation. This does not re-establish private property for the producer, but gives him individual property based on the acquisition of the capitalist era: i.e., on co-operation and the possession in common of the land and of the means of production (Karl Marx, 1974).

There is no doubt publicly-owned property is superior to privately-owned property as Marx described. The question is to find the best form. In the past, we regarded state-run enterprise as the best organisation of public property, but its lack of efficiency makes the whole country suffer a loss and doesn't mean that nothing is wasted. In theory, sustainable production is associated with public-owned property. But in practice, what is the most suitable form? Before we find the best form, the pollution will appear.

On the basis of efficiency, a market economy is superior to a planned economy. However, as there was no example of a socialist market, it seemed more convenient to copy a developed country's system. But we find that we have copied not only economic growth, but also all its problems, and without the advantages of prior development, the problems we face are more serious than those faced by developed countries. We have not found an effective method to allow the virtues of socialism to conquer the flaws of the market economy. In fact, in my view, the challenge for China is to develop sustainably by using socialism to regulate the market for the common good.

Although there is a long way to go before the alienation between humans and nature is eliminated, China can't wait for the best method to be found. In fact, in this competitive international society, sometimes we have to solve the problem in an effective way now. I suggest some solutions that should be implemented as soon as possible.

First, accelerate development of a Green GDP. Green GDP is calculated by deducting the cost of natural resources' depletion and environmental degradation from traditional GDP (Sunxiaohua, 2007). Although there are many difficulties with a Green GDP, at least we have adopted a policy which punishes the officials who concentrate only on economic growth. As environment bureaus regulate, no matter how rapid economic growth is, if it results in increased pollution, the manager will be sacked. Like the Green GDP calculation system, a strict rewards and punishment system and accountability should be adopted to ensure governments at all levels implement it.

Second, constrain consumerism. The objective of socialism should use a country's productive forces to 'satisfying people's increasing material and cultural demand' (Deng Xiaoping, 1994). Before market reforms, we ignored people's demands for necessities, rather than enjoyment goods. Industrial workers suffered from a lack of necessities. But, with the improvement of living standards, we paid too much attention to material goods. The increase of consumer goods doesn't increase people's happiness, which indicates that we should make people realise how to consume in a green model.

Third, narrow the wealth gap. In the first stage of socialism market reform we paid more attention to efficiency, ignoring distribution equity. Severe inequity generates ecological destruction. In some poor areas, they have no choice but to abuse the environment just to survive. It's time for us to be concerned about equity.

5. Conclusion

The green movement arose out of a re-evaluation of capitalism in the world; now it will arise out of a re-evaluation of traditional socialism. Traditional socialism which depended on economic growth to solve all kinds of problems is deeply rooted in western market logic. If we don't get rid of this idea, we will be a danger of transforming capitalism. We always avoid the word 'crisis' in China because this word reminds us of collapse. In fact, crisis is a turning point (James O'Connor, 1998). Socialism can't end overnight, especially for China. On the long road to being a developed socialist country, there are many difficulties we must meet. Each time we overcome a crisis means we step forward. Fortunately the government has realised the importance of the environment. During the 17th Communist Party Conference, the leadership of the Central Government began to explore building a society in which people, the economy and the environment have equal status. A harmonious society, in essence, is one that respects the rights of people, sticks to the principles of human civilisation and abides by the laws of nature.

China has adopted a number of new measures to help meet the goal to change China into an energy-efficient and environment-friendly society in the near future. In 2006, there were 140 articles of draft energy law, at least 20 concerning energy conservation and the development of clean and renewable energy, the government pledged to

reduce energy consumption for every 10,000 yuan of GDP by 20 percent and pollutant emissions by 10 percent for the 2006–10 period. Amid a slew of new efforts to adjust the country's energy structure to reduce pollution, related authorities drew up detailed pricing policies to support wind or solar-based electricity generation. More than 60 wind farms were built and connected to the grid with an installed capacity of 1.26 GW, and there were also about 200,000 small-scale wind power generators operating independently with capacity of 40 MW in remote areas. In 2007, the National Development and Reform Commission (NDRC), the nation's top economic planner, launched a 'Top-1,000 Enterprise Energy Efficiency Action Plan'. These, China's 1000 largest domestic enterprises, consume one third of China's primary energy every year, mainly from the petrochemical, coal mining, metallurgical, electricity, transportation, iron and steel and construction materials sectors. Enterprises are required to meet global energy efficiency requirements and take the lead in the field domestically as part of the country's endeavours to reduce energy consumption under the program. If this plan can be carried out effectively, 100 million tons of standard coal could be saved by 2010.

China is trying its best to solve environmental problems on the basis of new understanding of socialism. It is a good beginning for socialism in China, and it is a good beginning for the green movements in the world.

References

- Burkett, P. (1999). *Marx and Nature* (pp. 1-17). New York: St Martin's Press. <http://dx.doi.org/10.1057/9780312299651>
- Dai Xingyi. (1998). *Toward a Green Development* (pp. 103-178). Fudan University Press.
- Dengxiaoping. (1994). *Selected Works of Dengxiaoping (2)* (pp. 180-186). People's Press.
- Economy, E. C. (2004). *The River Runs Black: The Environmental Challenge to China's Future* (pp. 15-78). Cornell University Press.
- Foster, J. B. (2000). *Marx's Ecology* (pp. 3-18). New York: Monthly Review Press.
- Hamilton, C. (2003). Economics in the age of consumer capitalism. *Journal of Australian Political Economy*, 50, 131-136.
- Hart-Landsberg, M., & P. Burkett. (2004). *China and Socialism*, 2-24, 26-89.
- Jensen, L. M., & T. B. Weston. (2007). *China's Transformations* (pp. 59-65). Rowman & Littlefield Publishers, Inc.
- Koritz, A., & D. Koritz. (2001). Checkmating the consumer: passive consumption and the economic devaluation of culture. *Feminist Economics*, 7 (1), 46-52. <http://dx.doi.org/10.1080/13545700010028365>
- Magdoff, H., & J. B. Foster. (2004). Editor's forward. *Monthly Review*, 2-24.
- O'Connor, J. (1998). *Natural Causes* (pp. 15-45, 135-98). New York: Guilford.
- Marx, K. (1974). *Capital (I)* (pp. 713-715, 209-211). Lawrence & Wishart.
- Marx, K. (1964). *The Economic & Philosophic Manuscripts of 1844* (pp. 132-146), International Publishers.
- Panyue. (2007). Pollute then treat is not the right model. *China Daily*, 1, 18.
- Panyue, & Zhou Jianqiang. (2006). The rich consume and the poor suffer the pollution. *China Dialogue*, 10, 27.
- Qing Yicheng. (2001). How to concern on "environmental problems. *Philosophy Research*, 6, 25-29.
- Qu Geping. (1997). *Preface for Only One Earth* (pp. 5-17). JiLin People's Press.
- Rosewarne, S. (2002). Toward an ecological economy. *Journal of Australian Political Economy*, 50, 179-199.
- Sun Xiaohua. (2007). Green GDP to be expanded nationally. *China Daily*, 1, 18.
- Trainer, T. (2002). Recognizing the limits to growth. *Journal of Australian Political Economy*, 50, 163-178.
- Tengteng. (2000). Ecological economics' s improvement in two decades. *Ecological Economics*, 4, 10-19.
- Xu Baoqiang. (1999). Confusion on economic growth. *Reading*, 6, 51-53.
- Zhang Shiqiu. (2004). Marginalized environmental policies and their reform. *Population Resources and Environment in China*, 3, 14-19.
- Zheng Yisheng. (2000). *Review of China's Environment and Development*, 4, 2-15. Beijing Social Science Press.