

Rosa Luxemburg “The Accumulation of Capital” and China

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The greatest contribution of Rose Luxemburg’s “The Accumulation of Capital” is establishment of the unified worldwide diagram of the development of capitalism in the imperialist era, which Rose Luxemburg call total capitalism. According to this diagram, only finding the market in non-capitalist countries can west capitalism realizes its accumulation of capital so that the survival of non-capitalist countries, the formation of world market and boundless enlargement of consumption are the premise of constructing world system. In chapter XXVIII of “the Accumulation of Capital”, on “The Introduction of Commodity Economy”, she cited China for her examining. Lenin was against this diagram and stressed the important role of national states in constructing world system so that he pointed out the multiple diagram of the development of capitalism in the imperialist era. All these give me a chance to discuss some problems of the relation of China to world system in different field of vision. In my paper, I am going to begin with Luxemburg’s analysis of China, and then, probe into the significance and effect of national states in the China’s modernization by examining China of the twentieth century, finally combine the two-fold character of nation states with the theory and practices of China’s modernization to discuss Luxemburg’s concepts of world history in imperialist era, and evaluate Luxemburg’s theoretical contribution and its today’s development.

I. Rosa Luxemburg’s Analysis of China

In “The Historical Conditions of Accumulation ” of “The Accumulation of Capital”, Luxemburg said: “Modern China presents a classical example of the ‘gentle’, ‘peace-loving’ practices of commodity exchange with backward countries. Throughout the nineteenth century, beginning with the early forties, her history has been punctuated by wars with the object of opening her up to trade by brute force.

Missionaries provoked persecutions of Christians, Europeans instigated risings, and in periodical massacres a completely helpless and peaceful agrarian population was forced to match arms with the most modern capitalist military technique of all the Great Powers of Europe. Heavy war contributions necessitated a public debt, China taking up European loans, resulting in European control over her finances and occupation of her fortifications; the opening of free ports was enforced, railway concessions to European capitalists extorted. By all these measures commodity exchange was fostered in China, from the early thirties of the last century until the beginning of the Chinese revolution.” In this passage, Luxemburg roughly depicted the course of China’s modernization in the latter half of 19th century. Through this depiction, she demonstrated three basic points of view.

The first is that wars have the most important effect on the commodity exchange between China and European capitalist countries. It indicated that the commodity exchange between China and European capitalist countries was due to the result of China being unable to withstand the west invasion war. To say it in another way, the European capitalist countries were reliant on wars to obtain the legitimate position to conduct commodity exchange with China. Rosa Luxemburg reviewed the European invasion history to China in the latter half of 19th century, and emphasized that China was in a series of wars with European capitalist countries before the breaking out of its revolution at the beginning of the 20th century. This series of wars started from the famous Opium Wars. Chinese Opium Wars superficially arose from the opium prohibition movement, but in essence, spread around the economic benefit of European capitalist countries in China. Luxemburg depicted the effect of the two Opium Wars on Chinese society. The first Opium War broke out in the 1840’s, and it was a result from the opium import banning movement practiced by the Chinese government in the 1830’s. As early as the 17th century, Britain had disseminated into China the opium planted in India. To the beginning of the 19th century, with the decrease of the price of opium, the general public also joined into the procession of this drugs smoking. And this kind of addiction greatly endangered the physical health of the general public. In this way, opium became a public pestilence in China, so, the

Rosa Luxemburg, *The Accumulation of Capital*, the Routledge Classic edition, 2003, p367.

Chinese government had to take measures to ban the import of opium. This movement made the bourgeois in Britain could not export their opium products to China, in result, Britain started the Opium War on China in the 1840's, and compelled China to open ports and conduct commodity exchange with Britain. The ending of this war was "By the peace treaty of August 27, 1842, the island of Hongkong was ceded to Britain. In addition, the towns of Canton, Amoy, Futchou, Ningpo and Shanghai were to open their ports to foreign commerce." It can be seen that, this peace treaty in essence guaranteed the legitimacy of Britain to conduct commodity exchange in China by brute force, so compelled China to walk on the road to open up to west civilization. Luxemburg correctly pointed out the impact of this Opium War on the Chinese history: "European civilization, that is to say commodity exchange with European capital, made its first impact on China with the Opium Wars when she was compelled to buy the drug from Indian plantations in the East India Company had introduced the cultivation of poppies in Bengal; the use of the drug was disseminated in China by its Canton branch." " These were the splendid beginnings of 'opening China' to European civilization-----by the opium pipe." The second Opium War broke in 1857. This time, English had joined forces with the French. The ending of this war was the Great Powers of Europe now obtained concessions to set up embassies in Beijing, and to start trading with Tianjin and other city. From then on, China cannot keep within limits to exchange with Europe capitalist countries.

The second is that European capitalist countries' invasion into China is a course that the west commodity economy destroyed Chinese natural economy. Rosa Luxemburg analyzed the change of Chinese economic structure inflicted by the Opium Wars. She pointed out that the Opium Wars on one hand were European capitalist countries invading China and compelled China to walk the road to conduct commodity exchange with European capitalist countries. On the other hand, they resulted in China's interior, especially Hunan, Sichuan, Guizhou, etc. to plant opium poppy in large quantity. The poppy's planting in these regions was not for their own living's demand, but for money, and it was a commodity production. Thus, poppy's

Rosa Luxemburg, *The Accumulation of Capital*, the Routledge Classic edition, 2003, p371.

Rosa Luxemburg, *The Accumulation of Capital*, the Routledge Classic edition, 2003, p367.

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planting not only stimulated the development of Chinese commodity production, but also destroyed China's natural economy and boosted China's transition from natural economy society to commodity economy society. It is just because of this change that people regard the Opium Wars as the beginning of China's modern history. Obviously seeing this, Luxemburg also regarded the 1840's as the beginning of China's modern history, and emphasized China's modern history in essence is the course of transforming from natural economy society to commodity economy society. This analysis disclosed effect of European capitalist countries' invasion on China's social economic formation. I think that Rosa Luxemburg correctly pointed out that China's modern history did not originate from its internal economic development, but resulted from west capitalist countries' invasion, so that affirmed wars' significance to drive Chinese civilization's transformation. This point is very important to us to consider the China's modernization issues. We will discuss this problem in detail later in this paper.

The third is that European capitalist countries' invasion of China is comprehensive. Viewed from Rosa Luxemburg, the Great Powers Europe started Opium Wars for opening China's ports and compel China to conduct commodity exchange with them at first, then, in order to realize the control of China's market and protect their own economic benefits in China, they began to carve up China's territory and loot China's cultural relics, which caused the partial loss of China's sovereignty and huge loss of cultural relics. She depicted the all-round destruction coming from European invasion to China's economy and culture: "Both during the wars and in the interim periods, European civilization was busy looting and thieving on a grand scale in the Chinese Imperial Palaces, in the public buildings and in the monuments of ancient civilization, not only in 1860, when the French pillaged the Emperor's Palace with its legendary treasures, or in 1900, 'when all the nations vied with each other to steal public and private property'. Every European advance was marked not only with the progress of commodity exchange, but by the smouldering ruins of the largest and most venerable towns, by the decay of agriculture over large rural areas, and by intolerably oppressive taxation for war contributions. There are more than 40 Chinese Treaty Ports -----and every one of them has been paid for with streams of blood, with

massacre and ruin.”

Generalizing above analysis, Rosa Luxemburg’s viewpoint on the path of China’s modernization in the 19th century is convictive. But her viewpoint is not enough to explain the history of China’s modernization in the 20th century because China’s modernization in the 20th century has realized along the path of establishing national states, against which Luxemburg stood. I believe that Luxemburg is right on emphasizing the right of people to self-determination is the basis of the right of nations to self-determination. But how can China oppressed by the Great Powers of Europe obtain its right of people to self-determination? This is real and essential problem for China. The history of China’s modernization prove that only obtaining the right of nation to self-determination can Chinese people realize the right of people to self-determination. It is just Mao Tse-tung said: “ Only when the people have such a state can they educate and remould themselves on a country-wide scale by democratic methods and, with everyone taking part, shake off the influence of domestic and foreign reactionaries (which is still very strong, will survive for a long time and cannot the quickly destroyed), rid themselves of the bad habits and ideas acquired in the old society, not allow themselves to be led astray by the reactionaries, and continue to advance – to advance towards a socialist and communist society.” This means in world contact between countries in our time, the national conflicts always become the principal aspect of the contradiction, only by resolving it that changes of social formation and progress of human civilization can be realized. Rosa Luxemburg pointed out this problem in her analyses of China’s colonialization. For example, she stressed that the Opium Wars, on the one hand, destroyed Chinese feudalist political and natural economical structure and compelled China open to the west and had to walk modernization road, on the other hand, made China forfeit its part of sovereign rights, which hindered China’s modernization. In her analyses, she specially highlighted the influence of states sovereign rights on China’s modernization. It is pity that Luxemburg had not further analyzed this problem to continue her historicist principle, as she tried to make her historical analyses serve her logical thesis, and dispelled the national conflict in the contradiction of different social

Rosa Luxemburg, *The Accumulation of Capital*, the Routledge Classic edition, 2003, p374.
Selected Works of Mao Tse-Tung, Volume IV, Foreign Languages Press, Peking, 1967, p418.

formation. Therefore, in her depiction, only can she revealed the necessity that west capitalist countries create the world capitalist system, in which east non-capitalist countries were involved, but cannot discover that once the east countries obtain their national independence, they will play the dynamic roles in changing and making progress in the world history. However, Luxemburg's historical analysis of China's sovereignty is of greatly valuable, because it raised the key problem of China's modernization in 20th century and today's world.

II. The Discussion of National States and China's Modernization

The conception of *national states* came into being accompanied with the western capitalist movement, which is a form of state established by the bourgeoisie in order to guarantee the smooth development of the production of commodities, and whose connotation is to confirm the political rights of states by laws. Therefore, the emergence of *national states* is the sign of the formation of modern states. Therefore, Lenin once defined it as “the *typical*, normal state for the capitalist period” . In the 19th century, all the Great Powers of Europe obtained Chinese sovereignty of territory, transportation, and the right of trade in Chinese ports by entering into the treaties with the feudal government of Qing Dynasty, and forced the Chinese people to accept the western concept of *national states*. At the beginning of the 20th century, faced with the reality of China changed into a semi-colonial and semi-feudalist society, the Chinese people realized more and more clearly that the problem of China was not a problem of whether to establish a *national state* or not, but of what kind of *national state* to be established, which decided Chinese own selection of the modernization road. Once building up such consciousness, the Chinese people reversed to consciously accept the concept of *national states*, and applied it to explore their own road of modernization.

While the Chinese were considering how to establish a *national state* and reflect on their own modernization road, the western capitalism had already entered a new

V. I. Lenin: Selected Works in two volumes, volume I, Part 2, Foreign Languages Publishing House, Moscow 1959, p319.

development period. During that period, the principal contradiction of western capitalist societies was formed no longer between the bourgeoisie and the feudal class, but between the bourgeois and the proletariat. With the flourishing development of machinery industry, the proletarian revolution began to spring up in Western Europe, and then spread to the Orient from the West, driven by the world-wide national movement. As the ideological system of the proletariat, Marxist philosophy put forward the concepts of *national states* of the proletariat based on the summarization of the world-wide national movement. Lenin generalized all the principles of this new notion of *national states* as “Complete equality of rights for all nations; the right of nations to self-determination; the amalgamation of the workers of all nations—this is the national program that Marxism, the experience of the whole world, and the experience of Russia, teaches the works.” The principle put forward by Lenin improved the structure of the concept of *national states* further to a new historic level; moreover, the success of Russian October Revolution was just the great practice that proletariat in Oriental countries established *national states* at a higher historic level. It proved the east countries’ dynamic role in promoting the world historical progress. Just because of this, the victory of the October Revolution had convulsed the whole world, and therefore revealed such a truth, that is, only by establishing socialist modern countries can the Oriental nations get rid of the west countries’ colonial domination, realize self-independence and make their way to modernization.

The success of the October Revolution has strongly positive effects on China’s establishing modern *national states*, and choosing its own modernization road. From the 1920s to 1940s, the Chinese intellectuals set off a heated dispute on China’s modernization. At that time, all Chinese intellectuals realized widely that the key problem in China’s modernization was not to introduce advanced industry and science and technology in the west one after another, but to obtain national sovereignty so as to establish a *national state* in a modern sense. Then, what kind of *national state* should China establish, a capitalist one or a socialist one? On this question, the

V. I. Lenin: Selected Works in two volumes, volume I, Part 2, Foreign Languages Publishing House, Moscow 1959, p386.

Chinese intellectuals discussed at both realistic and abstract levels: at the realistic level, they mainly discussed a series of realistic problems in China's modernization, such as, the nature of Chinese society, war and revolution, the relationships between Chinese and western cultures, the problem of China's modernization and its actual way, and so on; at the abstract level, to establish the ideas of *national states* through metaphysically structuring Chinese culture, such as, critically assimilating the mode of philosophical thinking at both ancient and present, in both China and the west, constructing the contemporary humanities and social science, discussing the relationships between national consciousness and modernization, criticizing modernity, and so on. In dispute around these problems, participants were divided into four main schools of thought: liberalism, the Three People's Principles, neo-Confucianism and Marxism. Among them, Marxism, on account of based on a higher historic level to study and reflect on China's reality, accurately and successfully solved these problems. In the essay of *On New Democracy*, Mao Tse-Tung, based on analyzing the historical characteristics of Chinese society and the nature of Chinese revolution, put forward that China should first establish a new-democratic republic for solving the problems of Chinese sovereignty and democratic revolution, and then develop into a socialist republic for building a China into a modern socialist country. In the light of national nature, the new-democratic republic that China wanted to establish " will be different from the old European-American form of capitalist republic under bourgeois dictatorship, which is the old democratic form and already out of date. On the other hand, it will also be different from the socialist republic of the Soviet type under the dictatorship of the proletariat which is already flourishing in the U.S.S.R., and which, moreover, will be established in all the capitalist countries and will undoubtedly become the dominant form of state and governmental structure in all the industrially advanced countries. However, for a certain historical period, this form is not suitable for the revolutions in the colonial and semi-colonial countries. During this period, therefore, a third form of state must be adopted in the revolutions of all colonial and semi-colonial countries, namely, the new-democratic republic. This form suits a certain historical period and is

therefore transitional; nevertheless, it is a form which is necessary and cannot be dispensed with.” In this passage, Mao Tse-Tung regarded the establishment of national states in China as a process, in which establishing a socialist republic is the aim and idea of constructing a Sino-modern country, and establishing a new democratic republic is only a means to reach the final goal. Such as the aim decides the means, if China intends to establish a socialist republic, it should take the socialist way as resolving the democratic revolutionary task. On the other hand, the means of resolving problems should clear the road for realizing the aim. Now that it is by the socialist way that the democratic revolutionary task is resolved, a new-democratic republic becomes the natural foundation of a socialist republic. This is the internal integration of the aim and means, which deeply reveals the characteristics of China’s way of modernization, as well as theoretically resolves the problems such as the property of China’s national states, its ways of establishment and road of realizing its modernization, etc.

On the way to establishing national states, war played a decisive role. Ever since the Opium War, China had been involved in the worldwide national liberation movement. Facing a series of negative outcomes brought forth by the Opium War, the Chinese people were obliged to take the way of war to resolve Chinese modernization problems. Hereupon, war had become the principle practice that China applied to establish national states during the former half of the twentieth century. The aim of wars was to strive for the national sovereignty. This aim had been penetrating through a series of wars in China, from the latter half of the nineteenth century to the former half of the twentieth century. Not only the Opium War, the movement of the Taiping Kingdom, the Sino-France War, the Sino-Japanese War, the Yi Ho Tuan movement in the latter half of the nineteenth century, but also the Revolution of 1911, the may 4th movement, the may 30th movement, the Northern Expedition, the Agrarian Revolutionary War, the War of Resistance Against Japanese and the Liberation War in the former half of the twentieth century are all for resisting the imperialist aggression,

《Selected Works of Mao Tse-Tung》, Volume II, Foreign Press, 1965, p350.

and hence, belong to national liberation movement. Mao Tse-Tung had once given high remarks on these wars: “Thanks to the Chinese people’s unrelenting and heroic struggle during the last hundred years, imperialism has not been able to subjugate China, nor will it ever be able to do so.” However, in China, the war in 20th century is essentially different from the one in the 19th century. First, the class leading war transformed from the feudal government of Qing Dynasty into Chinese Communist Party. In the North Expedition, the Agrarian Revolutionary War, the War of Resistance Against Japanese and the Liberation War, Chinese Communist Party held or principle part, or the leading post. Second, due to the transformation of the class leading the war, the task of the war has changed accordingly: the war in the latter half of the nineteenth century merely fought against imperialism not feudalism, and therefore it’s but a national revolution against the imperialist oppression; however, the wars in the former half of the twentieth century undertook two major tasks, anti-imperialism and anti-feudalism, i.e., to combine the national revolution against the imperialist oppression abroad and the democratic revolution against the feudal oppression at home. Mao Tse-Tung has made an exquisite analysis on the relationships between the two major tasks: “These two great tasks are interrelated. Unless imperialist rule is overthrown, the rule of the feudal landlord class cannot be terminated, because imperialism is its main support. Conversely, unless help is given to the peasants in their struggle to overthrow the feudal landlord class, it will be impossible to build powerful revolutionary contingents to overthrow imperialist rule, because the feudal landlord class is the Chinese revolution. Therefore the two fundamental and united.” Third, determined by the task of war , the nature of this war was a democratic revolution , but not the democratic revolution of bourgeois , instead it’s a new democratic revolution led by proletariat , namely, it’s a part or stage of the Chinese socialist revolution, and also, a part of the world proletarian revolution. Therefore ,the future for this war must establish a socialist republic , and walk up to the road of the socialist modernization. The war has laid the foundation for China’s establishing

Selected Works of Mao Tse-Tung, Volume II, Foreign Press, 1965, p314.

Selected Works of Mao Tse-Tung, Volume II, Foreign Press, 1965, p318.

modern national states ,and also changed the relationship between China and the west. While making a comprehensive survey of Chinese history in the 20th century , we can clearly see that, through establishing national states, China has created a unique modernization road. On this road, China has been all along in the relationship with the western capitalist countries , whereas, in the different period , the relationship of these two is quite different :Before 50s of the 20th century ,Relationship between China and the western capitalist countries was formed mainly based on the war ,the theme of war evolved surrounding the sovereignty of China ; From the 50s to the end of the 70s of the 20th century , The relationship between China and the western capitalist countries was in cold war , though this kind of relationship could not enable China itself to develop in virtue of international capital , yet objectively it has gained time for China to establish socialist economy and politics, consolidate its state power and build China's into a powerful modern social country , thus it laid a solid foundation for China to reform and open up to the western world in the end of 1970s until now. Owing to having this foundation , in the reform and opening up to the western world by the end of 1970s and early 1980s, could China, by its own will, decide to communicate with the western capitalist countries and develop itself by means of international capital. This presents the particular road of China's modernization.

III . The Two-fold Character of Nation states

The road of China's modernization shows the two-fold character of nation states. One is the character of social formation; the other is the character of cultural tradition. The character of social formation is based on capitalist mode of production and decides the general nature of nation states and tendency of all nations' modernization. Whether west nations or east nations must establish nation states by changing pre-capitalist mode of production into capitalist mode of production to realize their modernization. So does China. The character of cultural tradition is based on the tradition of production and decides the particular nature of nation states and of the individual realization of different nation's modernization. Chinese new democratic republic was such a kind of individual national states. It is such national states that

make China establish a socialist republic.

About the two-fold character of national states, Marx was involved in his study. In *Capital*, he emphasized that the laws of capitalist production work “with iron necessity”. From this point, he demonstrated the foundation of the capitalist state and the necessity of capitalist development in every country of the world. These explanations reveal the character of social formation of nation states. In his lately works, he researched into the developing road of oriental society. He thought that Oriental modernization was the substitution of social formation. In the movement of modernization, both the Occident and the Orient would undergo a transformation from the pre-capitalism to capitalism. However, they are absolutely different in the form and content of realizing this transformation. The transformation of the Occident was originated from its own traditional mode of production; while the transformation of the Orient was through the culture collision between the east and the west. Therefore, the substitution of the west social formation appeared as a rational course taking the mode of production as the medium; while the substitution of the Oriental social formation appeared as a course of cultural choice and renovation taking the cultural tradition as the medium. These explanations revealed the character of cultural tradition of nation states. Of course, Marx discussed the modernization of the Oriental societies closely around the substitution of its social form.

Luxemburg developed Marx’s theory by studying economy and politics in the imperialist era. She pointed out the two points of view. (1) In the imperialist era, the capitalist countries and non-capitalist countries were coexisted interdependently, in such kind of relationship, the capitalist mode of production stood in the leading position by their concept and power of nation states. No matter for willingness or being forced, the non-capitalist countries must walk up to the road of modernization under the aid of or adopting the capitalist mode of production. This showed the capitalist mode of production and its nation state had the general character of nation states and its roles in building capitalist world system. Also it revealed the inevitability of world history; (2) The cultural difference between west and east countries was the historical condition of the formation of imperialism, because it was this cultural difference that make west capitalist countries change the east

non-capitalist countries into their external market and colony. In her analysis of China, she revealed how west capitalist countries subdued east non-capitalist countries in economy, politics and culture and depicted the hypotaxis and character of the east countries in imperialist era. As the form of the two points of view, Luxemburg developed Marx's concepts of general character of nation states and proved that the general character of nation states was more important than its character of cultural tradition because the widespread human liberalization reigned supreme over the right of nation to self-determination.

However, Luxemburg's explanation is not exhaust. The current democratic politics more and more requires us to consider the character of cultural tradition. In this direction, the theory and practice of China's modernization presents its value. Theoretically, Chinese Marxists originated *the theory of New Democracy* and *the theory of building socialism with Chinese characteristics*, which proved that in China, only developing the proletarian revolution and walk on the road of socialism, can we reform the peasant, conquer the bourgeoisie, realize the transformation from agricultural civilization to industrial civilization, and rapidly develop the productivity, so as to reach a level of communicating equally with the west capitalism and to participate in the creation of world history as a independent nation. Practically, before 1970's, China obtained full sovereignty through war and establish the socialist system in economy, politics and culture with the help of world proletarian revolutionary force. After the 1970's, under the help of international market, China changed the capitalist exterior condition into interior condition to develop the socialist market economy, thus created the special mode of China's modernization, and establish a new relationship with the west capitalism. It provides that national independence of developing countries is the necessary condition of establishing current democratic politics in the world.

Although Luxemburg denied the active role of east non-capitalist countries and nation states in the imperialist era, she took the east non-capitalist countries as a necessary part of the world system, the nation sovereignty as the medium of regulating the political relations between the west capitalist countries and the east non-capitalist countries. From the point of view of social structural analysis,

Luxemburg proved that world culture was constituted by different national culture. It gives us a framework of international politics to discuss nation states. It is why we must study Rose Luxemburg when we discuss today's economy, politics of the new imperialism and socialism.