

Engaging Gerth's Sleights (of Hand)¹

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Karl Gerth begins his new book, *Unending Capitalism: How Consumerism Negated China's Communist Revolution*, with a name-checked list of acknowledgements that could fill many an academic gossip page. With the inclusiveness of the list, Gerth apparently means to signal his intellectual open-mindedness as well his generosity. What all these names ultimately signify, though, is that Gerth seems to have lost his way more than once. Having now read through the book, I must report that he never did find a solid path; instead, he zigs and zags his way through an “archive” with a faulty theoretical compass and an empiricist's impulse to include everything. It is too bad, as the topic could be a good one. Indeed, Laurence Coderre's forthcoming book (Duke University Press) and already-published articles present the relationship between socialism and consumerism in a well-problematized and coherently-discussed fashion. Not so Gerth's *Unending Capitalism*.

Gerth's tendency to misdirection is demonstrated early, in the first line of the introduction: “With the establishment of the People's Republic of China in 1949, the Chinese Communist Party aimed to end capitalism” (p1). The bombast of the statement does not match the event to which it points. For, as most historians know, the new democracy upon which post-1949 China was based was not about eliminating capitalism in one fell swoop or even immediately, but rather about using the Communist Party to manage capitalist relations of production in China for some unspecified period of time. There was to be a process, worked out in real historical time rather than by abstract theoretical injunction. In Mao Zedong's terms, that new democratic process was to be called state capitalism.

Never mind, though; are not introductions supposed to be written in broad strokes? Let's move beyond style into substance.

Yet Gerth makes it hard to move on, as the early sleights of hand accumulate and are tough to ignore. When he says that building socialism included eliminating capitalism/consumerism (p2), there is nothing in the footnote to this statement indicating a source to corroborate the claimed rejection of consumption or the equation of consumption with capitalism by CCP theorists, policy-makers, or others in the pre-Great Leap 1950s. Rather, the footnote includes a discussion of the locution “building socialism” (社会主义建设), which may be of some interest but was not the point of the sentence. The point, for Gerth, seems to be to assert that China's socialism and consumption are somehow to be thought as being at absolute odds with one another, and to avow that he – Gerth – is going to show how they actually weren't.

We do know, as Tina Chen long ago established—and Gerth does mention but then discounts—that one of the main claims to socialist superiority in the early years of the PRC was the capacity to establish a culture of socialist commodity production and consumption not based on planned (bourgeois) obsolescence and private profit, but based in marketing commodities for durable mass enjoyment.² Gerth maintains that this introduces new forms of inequality. Sure. No doubt. But Gerth never said that socialism was about equality, he said that Chinese socialism was about vanquishing capitalism, where consumerism, as the reductive core of capitalism according to him, is incompatible with the socialist project. So, in conflating consumption and consumerism *tout court*, and in claiming that capitalism and consumerism are reducible to one another, and then in asserting that socialism and consumption are conceptually, and thus in practice should be treated as opposed to one another, Gerth starts an argument founded on a Trojan Horse of definitions and terms. And he keeps moving the frame, so that whatever he says can be adduced to prove what he says he wants it to say.

Thus, from the very beginning, Gerth does not establish confidence or trust in his method, his mode of expression, or his historical coordinates. It gets worse.

State Capitalism:

The category of state capitalism is Gerth's point of departure and landing. Accompanied by personal coinages and other apparatuses intended to lend the category uniqueness and gravitas, Gerth states: “The concept of state consumerism [Gerth's coinage] employed in these chapters helps extend the traditional focus on state-led accumulation in previous analyses of state capitalism to include the state's management of material desires (p7).” Why the switch from accumulation to consumption is important remains unclear, as does the contribution of “state consumerism” to the theoretical discussion.

Language clutter aside, it is the project of the book to assert and prove that China was at no time socialist but at all times state capitalist. This, Gerth will do by homing in on the always-already-posed discordance between consumerism and socialism – where the category of “state consumerism” is meant to cover the supposed contradiction – and by then demonstrating that because consumption was never vanquished – in fact, because allocation of surplus, somehow equated with consumerism, was always a state-managed project – therefore China was always tending towards and fulfilling its national destiny as a state capitalist rather than a socialist entity. This is a circular argument.

Why is Gerth’s focus on consumerism and allocation of surplus through consumption a better entry into understanding China’s Mao-era social formation than more accustomed ways? Other candidates have been: modes of accumulation, law of value, socialized relations of production, property and ownership regimes, class struggle, gendered reproduction.... Gerth includes no sustained theoretical discussion or logic for his choice, although he does boast a number of times of being the first to offer such an analysis.

On one thing, at least, Gerth is correct: the problem of state capitalism is a real issue in studies of China’s modern history and it deserves to be taken seriously. Indeed, the category has re-emerged with the contemporary moment, although Gerth is far from the first to deploy it. Its re-emergence in part is a historical taxonomic argument that China today is neither socialist nor bourgeois-capitalist, nor even neoliberal, but rather “state capitalist.” Another wing of the argument, more explicitly politicized and negative, is a prescriptive neoliberal one: because China is “still” state capitalist, the market is not truly free and thus, for China to be genuinely liberated from its Mao-era past, the state should get out of the market mix altogether, where full privatization is the only true cure. So, in the one case, we have a revolution manqué and in the other case we have a revolution that never should have happened. The stakes here are important.

Gerth’s particular argument construes “state capitalism” as a taxonomy that negates the revolution as a transformative social movement; this is an ideological position he does not acknowledge. But, he quickly tips his ideological hand by going for a facile solution to the problem of historical stakes. Essentially, he says, the development of capitalism in today’s economy is continuous with that which preceded it: today is state capitalist, yesterday (Mao-era) was too. The revolution never happened; it was all discursive smoke and mirrors; socialism was a vast historical hoax. Continuity: the laziest refuge of any historian.

State capitalism is a dicey theory with roots in Marxist and non-Marxist political economy. It has been used to approve and reject a number of things historically. In Engels’ and Liebknecht’s usage in the late-nineteenth century, it was about *not* mistaking certain forms of nationalized ownership of certain social functions (like the post office) for real socialized ownership. Later, it became about the bureaucratization of war by Germany and others (Bukharin and then Lenin, in the form of state-monopoly capitalism), and the fascist conflation of the bourgeois state with private capitalism as a social form; in this way, it became locked into a debate over “totalitarian” states and Nazism. The definition of a post-War Soviet Union contributed yet more to this taxonomic and theoretical problem, with factionalized leftist circles all over the globe using the label as a cudgel to deny or support the Soviet state and its social formation. These debates mostly rested on the question of whether the form of production in the USSR remained “bourgeois.” Marxists, anti-Stalinist leftists, Trotskyists, and non-Marxists all had differing interests in this discussion during the high Cold War.

In the post-War period, Soviet economists meanwhile used the theory of state capitalism to analyze the ways in which bourgeois states were allied with corporate and finance capital to the detriment of small businesses and the working classes. In the Third Worldist moment, when modernization theory gave way to dependency and world systems theory, the theory of state capitalism came to be understood as a potential third way to develop national economies. As the notion of the “third world” dissipated and after some hiatus, the theory of state capitalism came back into vogue with relation to China’s meteoric development. Yet, as Nathan Sperber, upon whose article the above summary is based, writes: “Bearing no intellectual ties or affinities to any of the prior Marxist-inspired works..., the authors of this burgeoning academic literature [on contemporary China] coalesce around the hypothesis of a ‘new state capitalism’ in today’s emerging markets. They ... [do so] without making mention of the thinkers who applied the phrase in the more distant past.”³

So with Gerth, who apparently derives the label “state capitalism” from what he presumes are features of today’s configuration and teleologically reads those back into a different era in order to construct his continuity thesis. He does this by engaging in what the historian Giovanni Sartori has called “conceptual stretching.”⁴ In Gerth’s case, he stretches a concept – capitalism – and a unrigorous indeed ahistorical theorization – state capitalism – to cover the material he wishes and to fill that material with ostensible meaning.

Mao Zedong used the term “state capitalism” to distinguish between bourgeois form (profit) and socialist form (need), as this related to the goals and the politics of socialist construction in the early period after the Communist Party seized state power in 1949. In July 1953, in asserting that China’s social formation was state capitalist and in admitting that some of the profit of production continued to flow to private capitalists, even while much of the output of production flowed to the masses, Mao wrote: “Therefore, this state-capitalist economy of a new type takes on a socialist character to a very great extent and benefits the workers and the state.”⁵ By September 1953, Mao spoke more clearly of state capitalism as the mechanism through which the transformation of the semi-colonial economy into a socialist economy could be achieved.⁶ For Mao, then, state capitalism represented a transitional mode through which the state and the economy came to be re-related to one another in the pursuit of socialist development.

While we can dispute whether this combined form is essentially “socialist” in character – that is, whether the state functioned to guarantee the socialist nature of the form of accumulation and allocation of surplus (capital, labor, etc.) – we cannot ignore that Mao, and many others in China at the time, actively were theorizing the problem of the relation of state to economy and attempting to find a way through and out the other side of a whole host of thorny theoretical and thus practical issues. What should be the relation of state to economy under socialism? This was a huge and unresolved question. As a temporary method of reconciling the problems of economic production on a mass scale with the socialist state and desired revolutionary transformation of social relations of production, state capitalism

was used to think about how *surplus value* was to be allocated as a problem of private accumulation or public (state) expenditure. State capitalism as a necessary contradiction in social transformation was only rejected ideologically in the 1960s, when it became an epithet to hurl across the Sino-Soviet divide.

Gerth, however, uses a definition of “state capitalism” – for which there is a long footnote (number 8) in the Introduction – that merely names it as a label used by an undifferentiated number of anti-Communists and pseudo-Marxists to refute the socialist character of China (or the Soviet Union, Eastern bloc countries, and so on; it was also used by some to lump China in with Nazi Germany). The debates over the content of this theory are never really engaged, and he never actually explores in historico-theoretical terms why the application of the label “state capitalism” to Mao’s China (and after) is adequate to his object of analysis, or, that is, how the theory illumines his object in ways that are coherent and interesting. Even his whole Chapter 2, which is ostensibly about state capitalism, so consistently conflates industrial production with capitalism, and so muddles the problem of the state and transforming the economy – is it about the state’s relation to capital(ists) and capital accumulation or to “consumerism”? – that it is hard to see what Gerth wishes to say. And when he proposes that the relations of production remained essentially untouched, one must vigorously object: has he spirited away the whole of the agrarian sector and land reform/collectivization/communization, as well as the whole process of the 1950s-1970s factory floor struggles over commandism and economism? Does he have the elder wand with which to wave away anything inconvenient in his path?

In any case, as Sperber writes about the re-emergence of “state capitalism” as a pseudo-theory, “In the most recent literature, one thus observes an obliteration of some of the fundamental interrogations that drove prior reflections on state capitalism” (p118). And he adds that what has been lost in the recent usages is a serious grappling with “the system-wide attributes of state capitalism, in terms of state-owned capital and of public-private relations, and in terms of the overall balance of power between the state qua accumulator and private capital owners” (119). Gerth’s mobilization of the term “state capitalism” is loose and untheorized in the mode that Sperber indicates; it expands to fit his capacious amounts of empirical data.

If “state capitalism” is to tell us something about the particular nature of the Maoist state’s entanglements with the market/economy, we’d need to know why “consumerism/consumption” is the appropriate port of entry, as a theoretical proposition. But we learn nothing of the sort. We just get a series of ever more strident avowals.

Self-Expansion?

Is consumerism equivalent to capitalism? Is either a “self-expansive” possibility, as Gerth claims? Not unless one subscribes to some highly-fetishized notion, such as the old advertisement about money growing on trees. Capital expands not by itself but through the process of the extraction of surplus

value; or, if one isn’t theorizing in a Marxist vein, then it expands through a process of circulation and exchange. This is not “self” expansion: it does not have the capacity to rise on its own; it needs leavening. By the same token, consumerism – does this mean buying stuff to reproduce biologically, or as labor power in a particular historical moment? – also does not “self-expand.” People need to have the capacity to purchase things – as a biological necessity and/or as a moment in a historically-conditioned mode of (labor) reproduction. Just because there is a market, just because there is an industrial process that produces commodities, and just because Chinese people – or some ever-larger urban fraction of them – became capable of buying wristwatches, sewing machines, and bicycles – the “three great things” (三大件) – by the 1960s does not mean that any of this is *necessarily* exhibiting capitalist tendencies; it just means that the socialist commodity economy functioned through a market mechanism that never went away. No one thought it should. No one thought it could. Although many tried to think through what its particular function should be in a larger social formation.

Was the market perceived as a theoretical problem? Sure. And many Chinese political economists debated the question over many decades. Was there absolute parity and equality in commodity availability? Never. Was this perceived as a problem? Often. Does that mean there was capitalism, or that purchasing items on the market is by definition capitalist? Well, Mao did at times say that the ever-growing social inequalities of the mid-1950s, the early-1960s, and so on, were evidence of growing capitalist tendencies. And these tendencies no doubt existed. But, these weren’t necessarily about market mechanisms, as Mao tended to pin them on private profiteering, private accumulation, and economism in rewarding labor. And anyway, by this point Mao was engaging in no small amount of conceptual stretching of his own.

The problem at that time was, and has remained, a theoretical and practical issue: how to think the market and market relations in a radically transformed social and political environment and for a radically different social and political project? How to subordinate the market to society rather than allow the market to function as a social coordinator? These are real theoretical, historical, and practical questions. But because Gerth puts no stock in discourse or what he calls rhetoric, any theory gets subordinated to masses of empiricism and of half-baked assertions. As when Gerth asserts early in Chapter 1 that Party leaders forced watches upon industrial workers, but then later in the same chapter asserts that the desire for watches is capitalist. These instances are far too many to catalogue or to expose. The lack of rigor is pervasive.

The empirical research in some chapters appears comprehensive. Some of the individual discussions of commodities are of some interest. Yet, in aggregate, they represent a reach towards encyclopedic coverage, that gives an illusion of mastery. The bagginess of the book makes it all sag. But Gerth is good at this piling on; he’s done it in his previous books. Yet, the only reason all this can be construed as “unending capitalism” is because Gerth makes capitalism

encompass every possible economic form, every possible social value, and every possible material desire. It crowds out everything else and makes anything else unimaginable, or merely quixotic.

The project of reading this book beginning to end is exhausting. The accretion of detail in a story whose narrative does not make much sense and whose ideological/political stakes continually are not avowed is difficult to follow. That's me. Maybe

¹ I thank David Brophy and Isabella Weber for discussing some of the issues herein contained. I'm grateful to Tani Barlow and Laurence Coderre for saving me from some errors and infelicities. What remains is my responsibility.

² Tina Mai Chen, "Dressing for the Party: Clothing, Citizenship, and Gender-formation in Mao's China," *Fashion Theory*, 5:2 (2001): 143-171.

³ Nathan Sperber, "The many lives of state capitalism: From classical Marxism to free-market advocacy," *History of the Human Sciences* 2019, Vol. 32(3) 100-124.

someone else will appreciate this massive onslaught of stuff. I will stop this discussion here, not because I've covered the waterfront presented by Gerth's book but because I have conveyed adequately, I think, my critical hesitations about a book such as this, that pretends towards a grand theorization only to pitch the reader into a pit of quicksand.

⁴ Sartori, "Concept Misformation in Comparative Politics," *American Political Science Review* 64(4): 1033-53; p1041.

⁵ Mao Zedong, "On State Capitalism" (July 9, 1953), https://www.marxists.org/reference/archive/mao/selected-works/volume-5/mswv5_30.htm, accessed 7/25/20.

⁶ Mao Zedong, "The Only Road for the Transformation of Capitalist Industry and Commerce," (September 7, 1953). https://www.marxists.org/reference/archive/mao/selected-works/volume-5/mswv5_33.htm, accessed 7/26/20.