

HIST 7740 – Economy and Society

Comparison of the Chinese and Russian Economies

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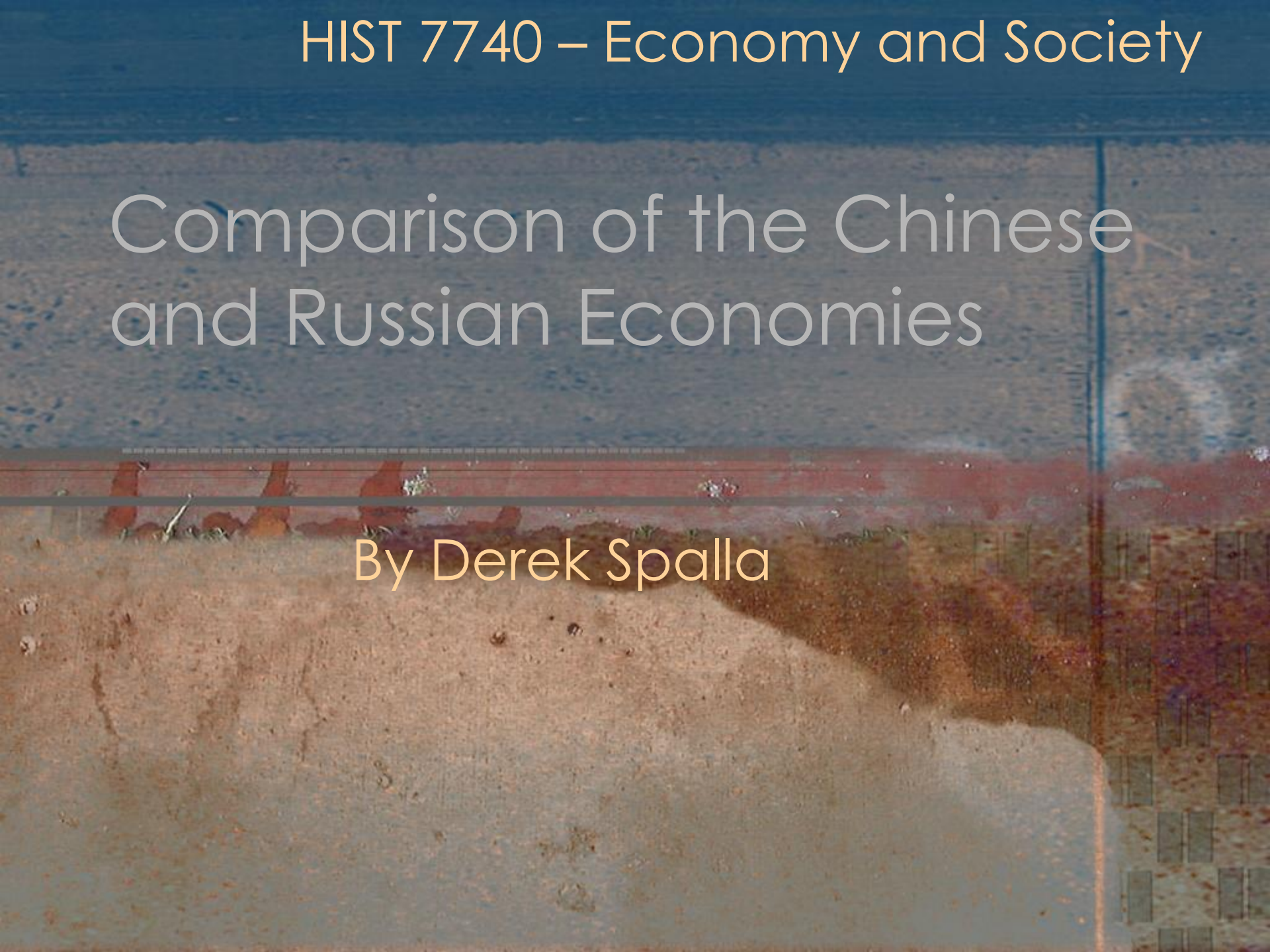


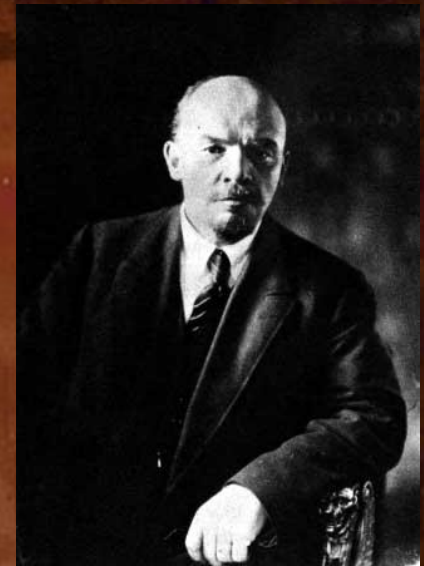
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Brief History of Russia



- 1682 to 1905 is the period of Russian Imperialism and the absolute rule of the Tsars.
- Major mistakes fuel change:
 - Failure in the Russo-Japanese War
 - Bloody Sunday, Jan. 22 , 1905
 - Costs and casualties of WWI
 - ✓ Military deaths = 1.8 million
 - ✓ Civilian deaths = 1.5 million
 - Ignited the Russian Revolution of 1917
- The October Revolution, led by Vladimir Lenin, created the world's first Communist state.



History of Russia cont.



- By the end of the civil war, 20 million had died and the economy and infrastructure were devastated.
- Dec. 30, 1922 the Soviet Union is formed.
 - Russian Soviet Federative Socialist Republic = USSR.
- After Lenin's death, Joseph Stalin consolidates power.
 - Becomes dictator.
 - Launches a command economy.
 - Rapid industrialization.
 - Collectivization of agriculture.

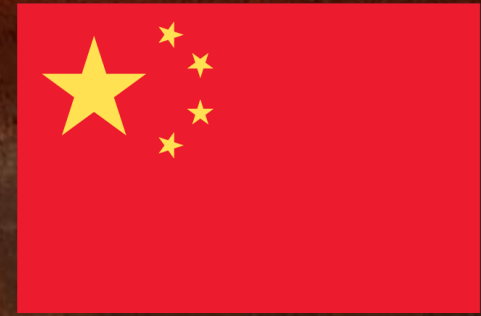


Brief History of China



- Jan. 1, 1912 – the Republic of China was established ending the era of the emperors.
 - The government was politically weak and fractured.
- In the late 1920s leaders wanted to transform China into a modern, democratic state.
 - The rise of Nationalists and Communists.
- Sino-Japanese War of 1937-1945 (part of WWII).
 - 10 million Chinese civilian deaths.
- Chinese Civil War resumes.

History of China cont.



- The Communist Party of China is victorious.
 - Led by Mao Zedong
 - Oct. 1, 1949, established the People's Republic of China as a socialist state.
- Disastrous socio-economic polices:
 - 1950s the Great Leap Forward.
 - 1960s the Cultural Revolution
- China is the only global superpower still ruled by a communist party.



Similarities



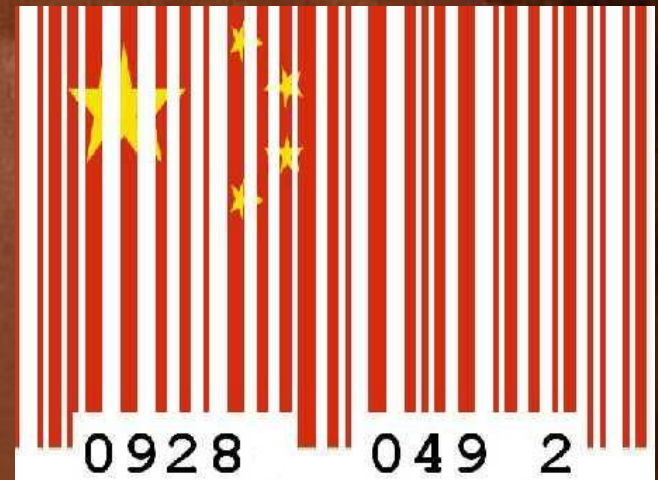
- Both governments were founded on socialism.
- Both built a cult of personality around early leaders (Mao and Stalin)
- Both have been command economies.
- Both had disastrous economic policies.
- Both now have elements of a market economy.

Major Differences - China

- The official Chinese version of communism-**Maoism**, is very different from Marxism.
- Mao redefined or **replaced** key concepts of Marx's theory.
- After Mao's death in 1976, the Chinese communist leadership began to **experiment** with limited market economy reforms.
- Maoism is given lip service but no longer is put into practice.
- Some large industries **are still** state-owned.

Differences – China cont.

- CCP still represses any opposition.
 - Tiananmen Square 1989
 - Tibet 2008
- The economies of China and the United States are deeply intertwined.
 - Koppel on Discovery, four part series.



Major Differences - Russia

- Lenin made important changes to the theory and practice of communism as Marx had envisioned it.
 - The ideology was later renamed Marxism-Leninism.
- Stalinism was again a variant of Marxism-Leninism.
- After Stalin's death in 1953, a succession of Soviet leaders stifled reform and attempted to impose a modified version of Stalinism.
- In the 1980s, Mikhail Gorbachev's policies of glasnost (“openness”) and perestroika (“restructuring”) began a new liberalization of Soviet society.

Differences – Russia cont.

- Suffered political collapse in 1991.



Major Differences Reviewed



1. Lenin made changes to communism as Marx envisioned it; renamed Marxism-Leninism.
2. Command economy in place for a long time.
3. Large industries were privatized then again seized by the state.
4. Russian economy is not an exporter on the scale that China is.



1. The official Chinese version of communism-Maoism, is very different from Marxism.
2. Early experiments with limited market economy reforms.
3. Large industries are still state-owned.
4. Economies of China and the United States are intertwined.

A Look at Petroleum



- Russia's oil industry was privatized then seized by the government.
- Broke contracts with international oil companies.
- Not seen as trustworthy.
- Threatening to neighboring countries, closed door deals.



- China's oil industry is state owned and operated.
- Prepared to follow the rule of law and contracts.
- Seen as worthy of investment.
- Part of the World Trade Organization.

Issues in the Future?



- Soviet-style communism is defunct.
 - Was never consistent with Marx's conception of communism.
 - How will the rich capitalist world confront the rest of the world? Are they poor precapitalist or presocialist.
- Can free markets and democracy can be separated?
- If capitalism is disappearing, what will takes it place? Social-capitalism or Capital-socialism?