

The Rivalry between the U.S. and China as the Main Axis of Inner-Imperialist Contradictions

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Marxists have emphasized in the past years that the acceleration of the rivalry between the Great Powers is one of the most important characteristics of the present historic period. This is one of the crucial changes in world politics in the past decades. As we elaborated, there are basically five Great Powers: the U.S., China, the European Union, Russia and Japan. (In addition there are several smaller imperialist states like South Korea, Australia, or the Switzerland.)¹

However, we think it is possible and necessary to arrive at a certain “hierarchization” among these Great Powers.² In our view the two strongest, most important, the development of world politics and world economy most determining imperialist powers are the U.S. and China.³ These two states are without doubt the two strongest economic powers. This becomes, once more, obvious in the current Global Trade War which has at its center the conflict between the U.S. and China.⁴ While Russia is

¹ For the RCIT’s analysis of the Great Power rivalry see e.g. Michael Pröbsting: *World Perspectives 2018: A World Pregnant with Wars and Popular Uprisings. Theses on the World Situation, the Perspectives for Class Struggle and the Tasks of Revolutionaries*, RCIT Books, Vienna 2018, <https://www.thecommunists.net/theory/world-perspectives-2018/>; Michael Pröbsting: *The Great Robbery of the South. Continuity and Changes in the Super-Exploitation of the Semi-Colonial World by Monopoly Capital. Consequences for the Marxist Theory of Imperialism*, RCIT Books, Vienna 2013, <https://www.thecommunists.net/theory/great-robbery-of-the-south/>; see also the literature on Russia and China mentioned below.

² It is worth noting in this context that Lenin, in his *Notebooks on Imperialism*, also suggested a “hierarchization” among the Great Powers. In one of his notes, he differentiated between three categories of imperialist states:
“I. Three chief (fully independent) countries: Great Britain, Germany, United States
II. Secondary (first class, but not fully independent): France, Russia, Japan
III. Italy, Austria-Hungary” (V.I.Lenin: *On the Question of Imperialism*, in: LCW 39, p. 202)

³ On the RCIT’s analysis of China as emerging imperialist power see the literature mentioned in the special subsection on our website: <https://www.thecommunists.net/theory/china-russia-as-imperialist-powers/>. We refer readers, in particular, to Michael Pröbsting: *The China-India Conflict: Its Causes and Consequences. What are the background and the nature of the tensions between China and India in the Sikkim border region? What should be the tactical conclusions for Socialists and Activists of the Liberation Movements?* 18 August 2017, *Revolutionary Communism* No. 71, <https://www.thecommunists.net/theory/china-india-rivalry/>; Michael Pröbsting: *The China Question and the Marxist Theory of Imperialism*, December 2014, <https://www.thecommunists.net/theory/reply-to-csr-pco-on-china/>; Michael Pröbsting: *China’s transformation into an imperialist power. A study of the economic, political and military aspects of China as a Great Power*, in: *Revolutionary Communism* No. 4, <http://www.thecommunists.net/publications/revcom-number-4>

⁴ See on this e.g. Michael Pröbsting: *The Global Trade War is Escalating. Trump’s new Tariffs on about \$200bn worth of Chinese Imports Reflect the Accelerating Rivalry between the Great Powers*, 19 September 2018, <https://www.thecommunists.net/theory/the-global-trade-war-is-escalating/>; *Global Trade War: No to Great Power Jingoism in West and East! Neither Imperialist Globalization nor Imperialist Protectionism! For International Solidarity and Joint Struggle of the Working Class and Oppressed People!* Joint Statement of the Revolutionary Communist International Tendency (RCIT), Marxist Group ‘Class Politics’ (Russia), Alkebulan School of Black Studies (Kenya), Pan-African Consciousness Renaissance (Nigeria), Courant des Jeunes Penseurs Congolais (Democratic Republic of Congo), and Sınıf Savaşı (Turkey), 4 July 2018, <https://www.thecommunists.net/rcit/joint-statement-on-the-looming-global-trade-war/>; Michael Pröbsting: *The Global Trade War has Begun. What is its Meaning and what should be the Response of Socialists?* 13 July 2018, <https://www.thecommunists.net/theory/the-global-trade-war-has-begun/>; Yossi Schwartz: *Capitalist Trade and*

militarily superior to China (and all other imperialist powers except the U.S.), it is economically so much weaker that we can not treat Moscow as equal with Beijing.⁵ Consequently, we characterize the rivalry between the U.S. and China as the main axis of the global inner-imperialist contradictions.

We have demonstrated in a number of studies that China has become the most important challenger of the U.S. as the hegemonic imperialist power.⁶ At this place we limit ourselves to present only a few characteristic facts.

When we look at the basis of capitalist value production – global industrial production – we see that the US's share decreased from 25.1% (2000) to 17.7% (2015), Western Europe's share also declined from 12.1% to 9.2%, while China's share grew from 6.5% (2000) to 23.6% (2015).⁷

Likewise, while the U.S.'s share in world trade declined from 15.1 (2001) to 11.4% (2016), China's share rose in this period from 4.0% to 11.5%.⁸ According to the latest statistics published by the World Trade Organization, China's share in merchandise trade in 2017 has been 11.5% while the US had 11.1%.⁹

A similar development can be observed when we analyze the national composition of the leading capitalist monopolies. Comparing the *Forbes Global 2000* list – a list the world's 2000 largest corporations – of the year 2003 with the year 2017, we see that while the US remains the strongest power, its share has declined substantially from 776 corporations (38.8%) to 565 (28.2%). At the same time, China's share grew dramatically and it has now become the number two among the Great Powers. (See Table 1)

the Looming 3rd World War, 15 July 2018, <https://www.thecommunists.net/theory/capitalist-trade-and-looming-3rd-world-war/>; Michael Pröbsting: Where Do Socialists Stand in Face of the Looming Global Trade War? A Showcase of the Practical Consequences of the Assessment of the Class Character of the Chinese State, 17 June 2018, <https://www.thecommunists.net/theory/where-do-socialists-stand-in-face-of-the-looming-global-trade-war/>; Michael Pröbsting: World Perspectives 2018: A World Pregnant with Wars and Popular Uprisings. Theses on the World Situation, the Perspectives for Class Struggle and the Tasks of Revolutionaries, RCIT Books, Vienna 2018, <https://www.thecommunists.net/theory/world-perspectives-2018/>

⁵ On the RCIT's analysis of Russia as an imperialist power see the literature mentioned in the special sub-section on our website: <https://www.thecommunists.net/theory/china-russia-as-imperialist-powers/>. In particular we refer readers to Michael Pröbsting: Lenin's Theory of Imperialism and the Rise of Russia as a Great Power. On the Understanding and Misunderstanding of Today's Inter-Imperialist Rivalry in the Light of Lenin's Theory of Imperialism, August 2014, <http://www.thecommunists.net/theory/imperialism-theory-and-russia/>; Michael Pröbsting: Russia as a Great Imperialist Power. The formation of Russian Monopoly Capital and its Empire – A Reply to our Critics, 18 March 2014, Special Issue of Revolutionary Communism No. 21 (March 2014), <https://www.thecommunists.net/theory/imperialist-russia/>.

⁶ On the RCIT's analysis of China as an emerging imperialist power see the literature mentioned in the special sub-section on our website: <https://www.thecommunists.net/theory/china-russia-as-imperialist-powers/>. In particular we refer readers to Michael Pröbsting: The China-India Conflict: Its Causes and Consequences. What are the background and the nature of the tensions between China and India in the Sikkim border region? What should be the tactical conclusions for Socialists and Activists of the Liberation Movements? 18 August 2017, Revolutionary Communism No. 71, <https://www.thecommunists.net/theory/china-india-rivalry/>; Michael Pröbsting: The China Question and the Marxist Theory of Imperialism, December 2014, <https://www.thecommunists.net/theory/reply-to-csr-pco-on-china/>; Michael Pröbsting: China's transformation into an imperialist power. A study of the economic, political and military aspects of China as a Great Power, in: *Revolutionary Communism* No. 4, <http://www.thecommunists.net/publications/revcom-number-4>.

⁷ Hong Kong Trade Development Council: Changing Global Production Landscape and Asia's Flourishing Supply Chain, 3 October 2017, p.1

⁸ Hong Kong Trade Development Council: Changing Global Production Landscape and Asia's Flourishing Supply Chain, 3 October 2017, p.4

⁹ WTO: World Trade Statistical Review 2018, p. 23

Table 1. National Composition of the World's 2000 Largest Corporations, 2003 and 2017 (*Forbes Global 2000 List*)¹⁰

	2003		2017	
	<i>Number</i>	<i>Share</i>	<i>Number</i>	<i>Share</i>
USA	776	38.8%	565	28.2%
China	13	0.6%	263	13.1%
Japan	331	16.5%	229	11.4%
United Kingdom	132	6.6%	91	4.5%
France	67	3.3%	59	2.9%
Canada	50	2.5%	58	2.9%
Germany	64	3.2%	51	2.5%

While Russia is weaker on an economic level, it still plays an important role given its military and political weight. In addition to important monopolies like Gazprom or Rosneft, Russia has a huge military-industrial complex making it the second largest military power behind the U.S. and ahead of all other imperialist states. (See Table 2)¹¹

Table 2. World Nuclear Forces, 2018¹²

<i>Country</i>	<i>Deployed Warheads</i>	<i>Other Warheads</i>	<i>Total Inventory</i>
USA	1,750	4,700	6,450
Russia	1,600	5,250	6,850
France	280	20	300
China	–	280	280
UK	120	95	215

Other imperialist powers might come close to the U.S. respectively China in this or that area. But in their totality they do not match these two dominant Great Powers. Japan, for example, is economically strong. But for various reasons, one of them the consequences of its defeat in World War II, it is politically and military subordinated to the U.S. and can not play an independent role. Germany, the economically strongest European power, faces also the consequences of its defeat in World War II and, as a result, still can not play an independent military role in global affairs.

¹⁰ Forbes Global 2000 List (2017), <https://www.forbes.com/global2000/list/45/#tab:overall>

¹¹ On the RCIT's analysis of Russia as an imperialist power see the literature mentioned in the special sub-section on our website: <https://www.thecommunists.net/theory/china-russia-as-imperialist-powers/>. In particular we refer readers to Michael Pröbsting: Lenin's Theory of Imperialism and the Rise of Russia as a Great Power. On the Understanding and Misunderstanding of Today's Inter-Imperialist Rivalry in the Light of Lenin's Theory of Imperialism, August 2014, <http://www.thecommunists.net/theory/imperialism-theory-and-russia/>; Michael Pröbsting: Russia as a Great Imperialist Power. The formation of Russian Monopoly Capital and its Empire – A Reply to our Critics, 18 March 2014, Special Issue of Revolutionary Communism No. 21 (March 2014), <https://www.thecommunists.net/theory/imperialist-russia/>.

¹² SIPRI Yearbook 2018, Armaments, Disarmament and International Security, p. 236

Furthermore, one has to make a certain reservation about the EU as a Global Power. Basically it is not a unified state but rather a federation in making with various inner contradictions. This substantially limits its ability to intervene politically and military in global affairs. However, we will not focus on this issue here since we have dealt with this elsewhere and, furthermore, it does not alter the fundamental argument in this place.¹³

Of course, each of these Great Powers is an independent power following their own interests. But they can only act in the world arena (and actually do so) if they operate in an alliance with one of the two dominating Great Powers U.S. resp. China. They can hardly play any significant role without the support of one of the two. And in any alliance with one of them (the U.S. resp. China), it is the later which plays the dominant role but neither the EU, Russia nor Japan.

Furthermore, when analyzing the Great Powers it is crucial to take into account *the dynamic of the development*. The U.S., the EU and Japan are old, declining, imperialist powers while China and Russia are new, rising powers. Naturally, this is a highly important factor for the political appeal of China resp. Russia. It has also profound consequences for the domestic stability and cohesiveness. Just look at the U.S. or the European Union. The ruling class of the strongest imperialist is deadlocked in a political civil war with Trump as a dysfunctional President who is detested by the majority of the monopoly bourgeoisie as well as the population. And the imperialist governments of the European Union are self-absorbed with their conflicts between each other how to deal with Brexit, migration, trade war, etc.

Related with this decline of the old imperialist powers is the undermining of the social fabric in the U.S., Western Europe and Japan. Historically, these richest imperialist powers were able to afford a relatively stable bourgeois democracy for many decades because their wealth allowed them to build a social alliance of the ruling class with the middle class and the labor aristocracy. Politically, this *"historic bloc"* (to lend a category of Antonio Gramsci) has been expressed in relatively stable (coalition) governments – of the Republican resp. the Democratic Party in the U.S., of the leading conservative resp. reformist party in Europe, etc.

All this is changing now as we see with Trump, Macron, the M5S-Lega government in Italy, etc. In short, the decline of the old imperialist powers has provoked a lasting disintegration of this *"historic*

¹³ For an overview of the RCIT's writings on the European Union see Michael Pröbsting: Marxism, the European Union and Brexit. The L5I and the European Union: A Right Turn away from Marxism. The recent change in the L5I's position towards the support for EU membership represents a shift away from its own tradition, of the Marxist method, and of the facts; August 2016, in: Revolutionary Communist No. 55, <http://www.thecommunists.net/theory/eu-and-brexit/>; Michael Pröbsting: Does the EU Represent "Bourgeois Democratic Progress"? Once again, on the EU and the Tactics of the Working Class – An Addendum to our Criticism of the L5I's Turn to the Right and Its Support for EU Membership, 16.09.2016, <https://www.thecommunists.net/theory/eu-brexit-article/>; Manfred Meier: Nachbeben des Brexit - Zur Rechtswende von L5I: das „JA“ zum Verbleib in der EU, August 2016, <http://www.thecommunists.net/home/deutsch/gam-brexit/>; Michael Pröbsting: The British Left and the EU-Referendum: The Many Faces of pro-UK or pro-EU Social-Imperialism. An analysis of the left's failure to fight for an independent, internationalist and socialist stance both against British as well as European imperialism, Revolutionary Communism Nr. 40, August 2015 <http://www.thecommunists.net/theory/british-left-and-eu-referendum/>; see also (in German language only) Michael Pröbsting: Die Frage der Vereinigung Europas im Lichte der marxistischen Theorie. Zur Frage eines supranationalen Staatsapparates des EU-Imperialismus und der marxistischen Staatstheorie. Die Diskussion zur Lösung der Vereinigten Sozialistischen Staaten von Europa bei Lenin und Trotzki und ihre Anwendung unter den heutigen Bedingungen des Klassenkampfes, in: Unter der Fahne der Revolution Nr. 2/3 (2008), <http://www.thecommunists.net/theory/marxismus-und-eu/>

bloc” and resulted in the break-away of sectors of the middle class (expressed in the emergence of radical right-wing racist movements or radical liberal-democratic movements). Likewise, we see crises or even splits in reformist parties like Corbyn’s Labour Party in Britain, the collapse of the French Socialist Party and the rise of Jean-Luc Mélenchon’s *La France Insoumise*, the rise of Podemos in Spain, etc. In short, the decline of the old imperialist powers has provoked a fundamental social and political destabilization. This domestic political crisis weakens these Great Powers in addition to their economic decline.

Compare these domestic problems of the old imperialist power with the situation in China and Russia. In both countries exists a stable Bonapartist regime since decades. Since Putin took power in 1999, Russia grew considerable as an imperialist power. Despite Western sanctions, the regime could maintain relative political stability at home. Similarly, the Stalinist-Capitalist ruling class in China has managed to keep their regime stable since their counter-revolutionary massacre against the workers and students on Tiananmen Square in June 1989.

In summary, for all these reasons we think it is justified to identify the U.S. and China as the two strongest, most important, the development of world politics and world economy most determining imperialist powers. Hence, the rivalry between the U.S. and China is the main axis of the global inner-imperialist contradictions.