

The competition between the two system and chinese socialism in information age

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***Abstract:** The competition between the two system of socialism and capitalism has moved into the information age from the industrial age. The intensity of adaptability of capitalism and socialism from industrial to information societies is different. The information age will provide an era in which socialism and capitalism coexist and compete. In the long term, Socialism possesses an advantage regarding adaptability. The combination of capitalism and informatization has the aspect of adaptation which possess profound contradictions, concurrently. However, socialism is more adaptive to the information age on the principle, that fulfillment of the adaptation relies on reform that keeps pace with the times. As a primarily socialist state, China should seize the historical opportunity to reform in all-directions. If China is successful in this pursuit, Socialism will finally have an advantage over capitalism in the information age.*

The entrance of the information age has caused an important argument: does the future of this era belong to socialism or capitalism? This paper tries to analyze the relationship between technical formation and social formation, the characteristics of competition between the two systems, and to predict the future of Chinese socialism in the information age.

1 The relation between technical formation and social formation

Classical Marxism social formation includes five parts, primitive society, slavery society, feudal society, capitalist society, and communist society. However Marx had other classification of society. For example; he divided social history into three parts in “*the Economics Script, 1857—1858*”, including the social structures: people depend on people, people depend on things, and people develop fully and freely. The classification from primitive society to communist society has been

widely acknowledged in the past, but now technical formation become popular. This classification consists of three parts: agricultural society, industrial society and informational society.

The technical formation and social formation are different means by which to cognize social evolution. Society is complex and multi-dimensional, therefore it must view social evolution with a multi-dimensional. Every society is mixed with different economic, technical, political and cultural systems, and each system has its own independent. Each aspect analyzed has its own rationality and limits. Consequently, it is not wise to use technical formation to deny or take place of social formation. The reverse is also true. Scholars may have his/her own respective point. The same scholar may cognize society from a diverse point of view. For instance, Marx used to discuss his opinion of the planting and hunting era, the agricultural era and the industrial era, which is deferent from his social formations.

There is internal relevancy in the technical formation and social formation. (a). Both formations refer to the same social subject. Their departure is in referring to different aspects of the same society. Because society is unitary and systematic, different aspects are not isolated but relative. (b). Both formations divide social evolution historically. According to Marx, the evolution from primitive society to communist society is a historic order, so is the evolution from agricultural society to an information society. The classification of the technical formation and social formation has the same direction of historical evolution. (c). Technical progress and social progress have internal relevancy. Marx remarked, science and technology is the most powerful revolutionary lever in history. Technology not only makes the substantial wealth and mental wealth advance rapidly, but also is a great force, that will stimulate social reform. In history, every important technical advance promoted economic growth and social reform.

But the internal relevancy between technical formation and social formation is not a simple corresponding relation. For example, the agricultural formation is not corresponding only with feudal society. In fact, there is enormous complexity between two formations. One technical formation may correspond with several social formations. One social formation may include several technical formations. For instance, socialism is the result of industry development, but socialism may also be realized in an underdeveloped agricultural society. We cannot over simplify the relation of technical and social formation.

Because of the complex relation between technical formation and social formation, we may make the assumption that: the corresponding relation between each concrete technical formation and social formation is not a simple “yes” or “no”, but rather an assessment found to be “strong”, “moderate” or “weak”. That is to say that there are some differences in the degree of correspondence. Here is a chart of the corresponding relation between technical formation and social formation. In order to simplify, the social formation only is a construct consist of feudal society, capitalist society and socialist society, which are the systems significance to our current society. This chart has two connotative preconditions. One is that the evolvment of agricultural, industrial and the information societies is consistent with the evolution of the feudal, capitalist and socialist societies. Another is that each

social formation adaptability to technical formation has a process beginning “weak” to “strong”, and then from “strong” to “weak”.

Chart: the relative model of technical formation and social formation

	Agriculture society	Industry society	Information society
Feudal society	Strong	Moderate	Weak
Capitalist society	Moderate	Strong	Moderate
Socialist society	Weak	Middle	Strong

Obviously, we still have a lot of work to do to refine the supposition of this chart. This supposition provides some concrete points allowing us to cognize the technical formation and social formation.

First, each concrete technical formation is correspondent with several social formations. For example, agricultural society may be a feudal society, or capitalist society. It is possible to establish a socialist society on the basis of agricultural society. In the 20th century, some countries made their socialist transformation basically on the basis of the agricultural society. Now, look at the industrial society as another example. Industrial revolution promoted the establishment of capitalism. It is no doubt that industrial society is closely related with that of capitalism. Some feudal countries may also realize a degree of industrialization. The current socialist countries have not gone beyond the industrial era. Information society is an assumption of future social evolution. Marx thought that socialism was the outcome of the industrial era. That is to say that the first part of the industrial era belonged to capitalism while the rest belonged to socialism. Marx didn’t experience or even predict the coming of the information age, so Marx’s prospect was limited to the industrial society. If we use the information era to take place of it, Marx’s assumption is consistent with the supposition in the chart. The information society should be closely related to socialism, but in fact capitalism entered into the information society firstly.

Second, each concrete technical formation has its best correspondent with one social formation. According to the chart, agriculture society is related most with the feudal society, industrial society is most related with the capitalist society and the information society is most likely to be most related to the socialist society. Theoretically, the productivity of the industrial society is better than the

agricultural society and the productivity of the information society is better than the industrial society. Therefore, the social formation which corresponds with them should also be advanced gradually. Historically, the greater part of agricultural society is feudal, and the greater part of industrial society is capitalist. Hence the future, information society will belong to the socialist. The adaptability peak of a capitalist society is in the industrial. It degrades with the coming of the information society. If this hypothesis stands true, then socialism will be more adaptive to information society.

2 The characteristics of competition between the two systems in information era

According to the supposition above, the competition between two systems in the information era will have two basic trends. (a). Two systems will coexist in the information era. It is not correct to think that the information era only has one system. Two systems will coexist in a long term. Capitalism's adaptability to technical formation should be a "weak-moderate-strong-moderate-weak" evolution. According to the supposition in chart, capitalism has "moderate" adaptability within the information society. It still has some degree vitality. The competition between the two systems will extend to the information era. (b). Socialism possesses the advantage in the information society. Socialism's adaptability ascends from "moderate" to "strong" from industrial to information era. Capitalism's adaptability is degrading with the times. Two systems will coexist, but each has the different developing trend.

Certainly, this developing trend is a long-term trend. The degradation of capitalism's adaptability and the ascending of socialism's adaptability are both a process. There are many kinds of possibilities in this trend. Socialism's advantage depends on the rapid development of socialist countries. Prior to this time, most developed countries are capitalist countries. These countries have occupied the lead position in the information revolution. They have also the opportunity to make relevant adjustments in order to adapt to this new era. Socialist practice is proceeding in relatively underdeveloped countries, which are still in the starting phase of informalization. Socialist countries stand to convert the theoretical advantage to a practical advantage as long as socialist countries enter the mature information era.

The future trend of two systems is only supposition. The coming of information era has practical impacts on the two systems. In fact, capitalism and socialism both are trying to adjust in order to adapt to this new era. The first combination of information era and capitalism presented two characteristics. (a). To some extent, capitalism adapted to informalization and informalization promoted the development of capitalism. Modern informalization started in developed countries. The combination of informalization and capitalism formed what Manuel Castells called "Informational capitalism". Dan Schiller pointed out in his book *Digital Capitalism* that the development of informational technology penetrated into all aspects of capital economy and culture in an unprecedented way, and it became the indispensable tool and driving force. (b). There are conflicts between capitalism and informalization. Informalization solidifies and intensifies the basic

contradictions of capitalism. Dan Schiller thought that digital capitalism didn't eliminate but intensify the instability and limits of the market system. Informational capitalism is a society with serious polarization, which not only enlarged the former social gap but made a new digital divide. Developed countries would be to withhold the knowledge from developing countries, denying developing countries benefits of the knowledge economy. Among the classes in one country, the digital divide solidifies and expands the polarization, therefore the information poor are marginalized living on the fringe of society. Capitalism also has conflicts with the internal essence of informational technology. Although the competition of capitalism helps the production of technical achievements, the private sector tends to block and prolong production with technical advantages, due to market trends, profits yet to be seen in existing products. Knowledge and information, as the core elements of the information era, should not be private. This will eliminate private system which was established on the basis of privacy. It will no longer have a foundation upon which to exist. The current Movement of Free Software is intended to challenge the monopoly on software. The revival of the Gift Economy in the information era was also a fundamental denial of the economic principles which aim to make profits.

The Left Wing prospects the renaissance of socialism in the new century. British scholar Richard Barbrook brought up the concept of cyber-communism. He considered that the economy of the information era is a gift economy. The characteristics of a gift economy are cooperation, efficiency and sharement. The gift economy eliminates the basic rules of the commodity economy. With the development of the information society and social abundance, there will be a cyber-communism on the basis of a gift economy. One Russian scholar thought that the transformation toward the information era impacts the entire world. Socialism doesn't have a principal difficulty in adapting to a post-industrial era. The upcoming post-industry society has many characteristics which are entirely based on the predictions and theories of Marx. The information era will satisfy people's increasing consumption needs and constantly create new consumption needs for the market. Socialism in the information era will be an exciting point in history. The information era is not the end of history, but the beginning of a new era.

3 The tight combination of Chinese socialism and informalization

Chinese socialism needs to develop and reform towards the information era. Socialist countries are relatively underdeveloped and are in mid-industrialization, as much of the agricultural society. Socialist countries have substantially lagged behind developed countries in the embrace of informalization. The urgent task for socialist countries is to develop rapidly and keep abreast with informalization, otherwise there is no merit to talk about information socialism. Currently socialism is established on the foundation of the industrial era and has the characteristics of industrial era. The systems of industrial era cannot adapt effectively to the needs of information era. Manuel Castells used to particularly analyze the conflicts between Soviet system and informalization, and he thought that the system was a primary factor in the Soviet's collapse at the dawn of information era. Joseph

Nye thought that Soviet economy was efficient in the industrial era but could not work well in information era. A rigid socialism like the Soviet model cannot assimilate and utilize the principles of information technology.

Socialism was relatively slow in adjusting to the technology transformation in the past. Soviet socialism obtained eye-catching growth in the industrial era of 1930s. However, the limits of Soviet's system increasingly appeared in the new technologic revolution of post World War . Faced with the complex and changing situation the new technologic revolution caused, the rigid economic structures of Soviets did not grasp the opportunity to reform. Some Russian scholars think that the main reason for the Soviet's collapse is that the Soviets did not adapt to the demands of the post-industrial society, according to the development of the economy, particularly the current trends to develop technology. The rising of the post-industrial society posed many challenges to socialism and made the basic principles of socialist system suspect to many people. The third plenary session of Russian Communist Party passed the creed, which summed up the lessons of the Soviet loses and identified future assignments on the basis of a post-industrial society.

With the rising of the information era, Chinese socialism should draw lessons from history. On one hand, we should realize that the adaptability of capitalism is limited. The adaptability of capitalism will be challenged in future. On the other hand, Chinese socialism should hold its ground on the basic system, while paying attention to the reform of adaptability. China needs to take precautions and stay in step with the times. This "times" refers to the information era, and the key to keeping abreast with times is to reform towards information era. China should adjust and reform systematically in many aspects: politics, economy, culture and social order as it conforms to the trends of the information era. China should track the new pattern of industrialization and try to realize leaping development in economy. In politics, China should explore building E-government on the basis of grass roots democracy, participating democracy and deliberative democracy. China's rapid growth in the information era will promote strong partnerships and allow for the future of global socialism.