

Study on the Embodiment of Dominant Position of Public Ownership

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Abstract—While China's economic construction has made brilliant achievements, the ownership structure has new characteristics, namely, the non-public sectors of the economy has been growing rapidly, surpassing the traditional state-owned and collective economies, which has had a certain impact on the dominant position of public ownership. This paper tries to re-examine and discuss the nature and characteristics of socialist public ownership from the perspective of Marx's theory of individual ownership, and puts forward the ways to realize the dominant position of socialist public ownership.

Keywords—socialist public ownership; dominant position; individual ownership; labor joint-stock system

I. INTRODUCTION

After more than 30 years of reform and opening up, China's economic construction has made brilliant achievements. The total economic volume raised from 364.5 billion yuan in 1978 to 56.8 trillion yuan in 2013, with an average annual growth rate of more than 8%. The per capita GDP rose from 224.9 dollars in 1978 to 8582.94 dollars in 2017, ranking from the second bottom to the 74th in the world¹. Foreign exchange reserves have exceeded 3 trillion dollars and become the largest foreign exchange reserve country in the world. People's living standards have generally achieved a well-off life from food and clothing. At the same time, China's ownership structure has gradually evolved from the public ownership of the "larger grass-roots organizations, higher degree of public ownership, and purer economic component of socialism"² to today's multi-ownership co-development pattern. The non-public sector of the economy has developed rapidly. As of September 2017, there were 26.07.29 million private enterprises with registered capital of 165.38 trillion yuan, accounting for 89.7% and 60.3% of the total enterprises respectively. The number of private enterprises and the proportion of registered capital increased by 10.8% and 23.1% respectively

¹ The data is compiled according to the China Statistical Yearbook.

² Referring to the larger grassroots organizations, such as the people's communes; the higher degree of public ownership; the purer and better socialist economic component.

compared with that at the end of September 2012. Since the Eighteenth National Congress of the Communist Party of China, the numbers of private enterprises and registered capital have contributed 98.9% and 69.8% respectively to the total growth of enterprises, which are the main driving forces for the development of enterprises.

II. QUESTIONS

Since the reform and opening up, the positioning of non-public economy by Communist Party of China has undergone a process of development. The 12th and 13th National Congresses of the Communist Party of China respectively affirmed that the individual economy and the private economy are "necessary and beneficial supplements to the public economy". The 14th National Congress of the Communist Party of China clearly put forward the establishment of socialist market economic system. In terms of ownership structure, it emphasized that "public ownership, including ownership by the whole people and collective ownership, should be the main body of the economy, supplemented by individual economy, private economy and foreign capital economy, and various economic components should be developed together in the long run". The 15th National Congress of the Communist Party of China established "public ownership as the main body and multi-ownership economy was developing together" as the basic economic system of China. For the first time, it clearly put forward that "non-public ownership economy is an important part of socialist market economy". The 16th National Congress of the Communist Party of China (CPC) put forward that "we should unwaveringly consolidate and develop the public ownership economy, and encourage, support and guide the development of the non-public ownership economy". The 17th National Congress of the CPC emphasized that "two unwavering" should be taken as a long-term policy and put forward "equal protection rights of property, forming a new pattern of equal competition and mutual promotion of all kinds of ownership economies". The 18th National Congress of the CPC further put forward that we should unwaveringly encourage, support and guide the development of non-public economy, ensure that all kinds of ownership economies use production factors equally

according to law, participate in market competition fairly, and receive equal legal protection. The Decision of the Central Committee of the Communist Party of China on Several Major Issues Concerning the Comprehensive Deepening of Reform (hereinafter referred to as the Decision) adopted by the Third Plenary Session of the 18th Central Committee of the Communist Party of China puts forward that "both the public economy and the non-public economy are important components of the socialist market economy and important foundations for the economic and social development of China", and "the non-public economy plays an important role in supporting growth, promoting innovation, job enlargement and tax increase." Non-public ownership economy has gradually changed from "being beneficial supplement" to "being developed together", then to "being important component" and finally to "being important equally", which shows that the Communist Party of China has deepened its understanding of the status of non-public ownership economy. In the report of the 19th National Congress of the Communist Party of China, it pointed out that "we should support the development of private enterprises, stimulate the vitality of various market players, and strive to achieve higher quality, more efficient, fairer and more sustainable development".

In practice, with the development of non-public economy, the proportion of non-public economy has exceeded the proportion of public ownership, and the contribution rate to GDP has exceeded 60%. Therefore, many people (especially many young people) have proposed that the socialist nature of China has changed, and the public ownership is gradually transforming into private ownership. Their logical reasoning is simple. According to Marx's view, the basic economic characteristic of socialism is public ownership. If the proportion of non-public economic component of a society exceeds that of the public economic component, the social nature has changed. Therefore, how to embody the dominant position of public ownership? As a major theoretical and practical problem urgently needed to be solved in China, it needs to be studied in depth.

III. SOCIALIST PUBLIC OWNERSHIP AND ITS REALIZATION FORM

Public ownership is a general term and a category beyond time and space. It is suitable for discussing all economic systems that negate private property relations, such as primitive public ownership, modern public ownership, Chinese public ownership and European public ownership.³ Socialist public ownership is a historical category, referring to the system after capitalist private ownership under specific historical conditions. In Criticism of the Gotha Programme, Marx expressed that means of production "becomes public property of society". Therefore, socialist public ownership refers to the form of ownership in which all or part of the members of society share the means of production.

³ Chen Yongzheng. Ownership structure theory — deconstruction of traditional state ownership and reconstruction of ownership by the whole people [M]. Sichuan University Press, p145, 7, 2003.

Marx seldom touched upon the forms of realizing public ownership. In the Communist Manifesto, Marx pointed out: "The proletariat will use its political rule to seize all the capital of the bourgeoisie step by step and concentrate all the means of production in the hands of the state, that is, the proletariat organized into the ruling class."⁴ In Anti-Duhring, Engels said: "The proletariat will acquire the state power and first turn the means of production into state property."⁵ However, they believe that the possession of means of production by the state in the name of society is the first and last act that the state really takes as the representative of the whole society. "When the country finally and truly becomes the representative of the whole society, it makes itself unnecessary... The country is not 'disintegrated', it is self-destructive." That is, state ownership is not the usual form of socialism. It's just a short transitional form.

After the founding of the Soviet Union, Stalin divided socialist public ownership into two basic forms: ownership by the whole people and collective ownership, which were called "Stalin paradigm". After the founding of the People's Republic of China, we study the Soviet model, and also establish the realization form of socialist public ownership — the ownership by the whole people and collective ownership. As a result, a large number of state-owned enterprises and collective communes have been established. However, according to the practice, it has proved that most state-owned and collective economies are inefficient and have many problems. Then, if we want to know whether the public ownership economy adapts to the status quo of the development of productive forces, people have re-examined Marx's theory of "rebuilding individual ownership", and have carried on thinking and understanding to the public-owned economy.

IV. MARX'S THEORY OF REBUILDING INDIVIDUAL OWNERSHIP

Marx's study of ownership is based on the investigation of private ownership. He believes that division of labor is the cause of private ownership. The form of ownership differs with the different stages of development of division of labor. "The different stages of division of labor development also refer to different forms of ownership. That is to say, each stage of the division of labor also determines the relationship between individuals and labor materials, tools and products."⁶ "With the development of division of labor, the ownership in various historical stages is divided into different forms." "The first form of ownership is tribal ownership.... The division of labor is still very underdeveloped, limited to the further expansion of the existing natural division of labor in the family. The second form of ownership is classical ancient communal ownership and state ownership.... The division of labor has been relatively developed.... The third form is feudal or hierarchical ownership.... In the era of prosperous

⁴ Marx, Engels. Selected Works of Marx and Engels (Vol. 2) [M]. Beijing: People's Publishing House, p272, 1972.

⁵ Marx, Engels. Selected Works of Marx and Engels (Vol. 3) [M]. Beijing: People's Publishing House, p320, 1972.

⁶ Yu Guangyuan. China's economy at the primary stage of socialism [M]. Guangdong Provincial Publishing Group, 1998

feudal system, the division of labor was undeveloped."⁷ Feudal ownership is followed by the form of capitalist ownership, and is the fourth form of ownership. "The real civil society has only developed with the development of the bourgeoisie."⁸ The fifth form of ownership is the form of ownership of society in communism (including the two stages of socialism and communism), namely, "individual ownership." Marx believes that the future society should be a communist society. This social form refers to the combination of free people, and individual ownership is its essential feature. This kind of ownership "overturned the foundations of all old production relations and communication relationships. For the first time, it consciously regarded all spontaneous preconditions of the production as the creations of previous generations, eliminating the spontaneity of these premises and making them subject to the combined people. Therefore, the establishment of communism is essentially economic in nature. This creates various material conditions for this union, and turns existing conditions into union conditions." In 1867, the first volume of *Capital* was published. When discussing the historical trend of capital accumulation, Marx had a classic exposition on the theory of reconstructing individual ownership. He pointed out that "on the basis of collaboration and the common possession of land and the means of production produced by labor, individual ownership shall be re-established in the future society."⁹

From the above, Marx's reconstruction of individual ownership has two aspects. One is the essential feature, and the other is the realization form.

A. The Essential Characteristics of Individual Ownership

Marx and Engels carried out scientific ideas on communist society, and put forward a series of important classical theoretical viewpoints. Among them, the issue of the nature of future social ownership was discussed many times. In one sentence, the ownership of the future society should be the joint ownership of the means of production jointly owned by laborers, that is, joint, social individual ownership or individual social ownership. There are three essential characteristics: the reconstruction of the subject of individual ownership is the return to the ownership of laborers; the reconstruction of individual ownership is the implementation of the social union of laborers; the reconstruction of individual ownership is the realization of private ownership of laborers.

B. Prescription of the Realization Form of Individual Ownership

The general form of individual ownership is social ownership, and the special form is cooperative ownership. In the relevant works of Marx and Engels, the words "social

possession", "social possession of means of production" and "possession in the name of society" are mostly used. Therefore, we can understand Marx and Engels' views on the future form of socialist ownership — "individual ownership" as social ownership, which is the general form of Marx's reconstruction of individual ownership. Secondly, in Marx's views, "If cooperative production is not a cover or a deception, it is to replace the capitalist system. If the united cooperatives regulate the national production according to a common plan, control the national production, and put an end to the catastrophe that capitalist production can't avoid, such as the constant anarchy and periodic turbulence. I have a question for the gentlemen. If this isn't communism or 'possible' communism, what is it?"¹⁰ At the same time, Engels also pointed out: "As for the transition to a fully Communist economy, we must adopt cooperative production on a large scale as the intermediate link. Marx and I have never doubted this."¹¹ Obviously, as a "transitional form", cooperative ownership does not belong to the category of capitalist private ownership, but is a form of ownership with its own characteristics separated from capitalist ownership. This kind of cooperative ownership is a transitional form from private ownership to individual ownership and a special form of individual ownership in the transitional period.

V. THE RELATION BETWEEN OWNERSHIP IN THE PRIMARY STAGE OF SOCIALISM AND MARX'S INDIVIDUAL OWNERSHIP

Since the reform and opening up, under the guidance of Marxism-Leninism, Mao Zedong Thought and Deng Xiaoping Theory, China has formed the theory of ownership at the primary stage of socialism in accordance with Chinese national conditions in the great process of reform and opening up, which is a major breakthrough and development of the traditional theory of socialist ownership. With the application of modern socialist ownership theory in practice, China has transformed its ownership structure from a single public ownership economy to a multi-ownership economy with public ownership as the main body in accordance with the actual national conditions and the requirements of the development of social productive forces, and the allocation of social resources has also changed from a highly centralized planned economy to socialist market economy. Therefore, compared with the traditional socialist ownership theory, the modern socialist ownership theory has made arduous exploration in adhering to Marx's basic principle of rebuilding individual ownership, and has made great progress, but there is still a big gap in concrete practice.

As mentioned above, Marx's reconstruction of individual ownership has three essential prescriptions. First is to establish the individual ownership of the broad masses of workers, to realize the direct combination of workers and means of production, and to reflect the main status of workers. The second is to realize the social union of all

⁷ Dong Fureng. *China Society of Economic Reform* [M]. Economic Science Press, 1995.

⁸ Zong Han. *Analysis of China's ownership structure* [M]. Hongqi Press, 1996.

⁹ Marx, Engels. *Selected Works of Marx and Engels* (Vol. 23) [M]. Beijing: People's Publishing House, p832, 1972.

¹⁰ Liu Guangjie. *Correctly understanding Marx's argument on "rebuilding personal ownership"* [J]. *Jiangnan Luntan*, 1990, 03.

¹¹ Pei Xiaojun. *Re-establishing the concept and connotation of the theory of individual ownership* [J]. *Socialist Studies*, 2009, 06.

workers on the basis of the common possession of means of production. The third is to fully realize the individual ownership of workers, and to embody master position of each worker as the owner of the means of production. The essential prescription of Marx's reconstruction of individual ownership constitutes the essential feature of socialist public ownership, which is applicable to all stages of socialist development. Correspondingly, in exploring the main forms of socialist public ownership at this stage, we must embody the following requirements. The first is to make workers truly become owners of means of production, to realize the direct combination of workers and means of production. Secondly, the scope of direct combination of workers and means of production should be adapted to the level of production development and the scope of co-possession and cooperation of means of production. Third, the combination of workers and means of production should ensure the realization of individual ownership of each worker.

VI. EMBODIMENT OF THE DOMINANT POSITION OF PUBLIC OWNERSHIP

Therefore, the dominant position of socialist public ownership is not simply reflected in the absolute superiority of state-owned enterprises and collective enterprises in quantity, nor in the so-called "quality" provisions. In the control, it should be based on the development of individual ownership. According to the essential requirements of socialist public ownership and the current situation of China, the labor share-holding system should become the main form of realizing public ownership at this stage and the embodiment of the dominant position of public ownership. On the one hand, the shareholding system of laborers can make the ownership of means of production of laborers be embodied in the form of equity, thereby gaining the right to participate in management and income. On the other hand, the shareholding system of laborers can realize the direct combination of laborers and means of production in the primary stage of socialism with underdeveloped productivity. That is to say, the joint-stock system of labors can not only realize the individual ownership of labors, but also realize the individual union of labors within a certain range. It should become the realization form of public ownership. At the same time, compared with the traditional form of public ownership, the labor share-holding system has its own advantages, and is a new form of public ownership. Different from the state-owned system, the labor share-holding system is a partial public ownership realized in a certain social scope, not a public ownership in the whole society. The labor share-holding system is based on the social union of the individual ownership of the labors, rather than on the common ownership of some labors, which reflects the individual subject of the labors. The property ownership under the labor share-holding system is clear. The boundary of property rights is clear. The workers under the joint-stock system are voluntary, free and independent. Compared with the state ownership and collective ownership, the joint ownership of workers is not a passive or administrative order, but a voluntary and autonomous joint, which implements democratic management in the joint venture. From a realistic point of view, the formation and development of the

individual property rights of the workers in the joint-stock enterprises with diversified property rights subjects, the individual property rights of the workers in the joint-stock cooperative enterprises in urban and rural areas, and the individual property rights of the farmers in the rural collective economy have accumulated valuable experience for the formation and development of the labor shares and laid a solid practical foundation. In addition, the rapid development of joint-stock system and joint-stock cooperative system also shows the great advantage of labor joint-stock system as a form of socialist public ownership. It can be predicted that with the deepening of public ownership reform and the continuous promotion of market-oriented reform in China, the labor share-holding system will become the basic form of socialist public ownership at this stage.

VII. CONCLUSION

In conclusion, the nature of Chinese socialist society has not changed, nor has it changed to capitalism as many people say. Although the proportion and contribution rate of private economy in China are increasing, this does not mean that China has changed to capitalist society, but China still regards public ownership economy as the main body, which has not changed. What really needs to change is people's understanding of public ownership. With the development of socialist market economy and the advancement of reform and opening up, the understanding of the realization form of public ownership also needs to change. The realization form of public ownership is no longer a single ownership by the whole people and collective ownership. This requires finding the answer from Marx's theory of rebuilding individual ownership and re-establishing the theoretical basis of public ownership — individual ownership. From the essential prescription of individual ownership, it can be concluded that in the primary stage of socialism, the shareholding system of laborers will become the main form of reflecting the dominant position of public ownership.

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