

The Discussion of *Ziben zhuyi* (capitalism) in China's Debate on Socialism (1920-1921)

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Abstract: The spread of “capitalism” from West to East not only brought knowledge of an economic model but also offered nations a new path for development. This expansion was met by the rise of the socialist revolutionary movement, which aimed to overthrow the capitalist political and economic system. This article examines the concept of “capitalism” in the context of the debate on socialism. By studying the elaborations of *Ziben zhuyi* (capitalism) by its proponents and opponents, as well as the debate-related expressions proposed by later scholars in different contexts, this study reflects on the politicization of “capitalism”, the complexity of its meaning, and the degree of political ideology in its implementation. Based on the analysis of relevant papers on the debate, it concludes that (1) as a highly politicized concept, “capitalism” reflects intellectuals’ assumptions regarding China’s future and the evolution of its political ideologies; (2) “capitalism” has a complicated conceptual connotation, and it is necessary to consider its many aspects to present the full picture of what people think about it; and (3) the degree of capitalist ideology varies in different periods and contexts.

Keywords: Capitalism; debate on socialism; Zhang Dongsun; Chen Duxiu; Li Dazhao

INTRODUCTION

It is fair to say “capitalism” is a familiar concept. Although it is cited frequently in discussions on current affairs and politics and addressed in academic papers, there remains controversy regarding its meaning and impact. In 1979, Fernand Braudel (1982: 238), a representative of the French Annales School, paraphrased the words of historian Herbert Heaton in his renowned book, *Civilization and Capitalism, 15th-18th Century*, “Of all the terms ending with ‘ism’, the term capitalism is the most provocative.” Similarly, the Chinese historian Ray Huang (1992:1) stated at the beginning of his book *Capitalism and the 21st Century* (*Ziben zhuyi yu ershiyishiji* 资本主义与二十一世纪), “capitalism is a common term frequently used in the writing and spoken words of people. However, it is very difficult to properly define this term.”

The author attempted to examine “capitalism” in the context of China’s debate on socialism in the 1920s. Through studying the elaborations of *ziben zhuayi* (capitalism) by the two sides that could not find a compromise in the debate, and the debate-related expressions proposed by later scholars in different contexts, the author reflected on the characteristics of “politicization”, the complexity of the conceptual meaning, and the degree of political ideology in the application of the concept of “capitalism”. It is well known that in the 1920s, the ideological and intellectual circles in China carried out a series of debates, among which the exchanges on socialism from 1920 to 1921 were the most prominent. The two sides of the debate were mainly scholars led by Zhang Dongsun (1886-1973) and Liang Qichao (1873-1929), and early Marxists headed by Chen Duxiu (1879-1942), Li Dazhao (1889-1927), and Li Da (1890-1966). The sides fiercely debated whether China should follow either the path of capitalism or socialism, and expressed their opinions in magazines such as *Current Affairs* (*Shishi xinbao* 时事新报), *Transformation* (*Gaizao* 改造), and *New Youth* (*Xinqingnian* 新青年). Looking back, the debate involved many topics worthy of attention, especially the potential economic and political influence of “capitalism” in China.

I. “CAPITALISM” AS A POLITICAL CONCEPT: FROM THE WEST TO CHINA

The English term “capitalism” is a combination of the term “capital” and “ism”. Tracing the evolution of those terms provides insight into the concept. The Latin written form “capitālis”, from which the English term “capital” is derived, comes from the Latin word “caput”. Since the 17th century, the word “capital” has been widely used in the English-speaking world (Scott, 1910-12: 157). With the development of the Western industrial and commercial economy, the term “capital” has been widely used in economics, such as monetary capital, financial capital, and material capital. The usage of “ism” became popular in the 16th century. Initially, it mainly was used in a religious context, such as Judaism and Calvinism. In the 17th century, with the development of various schools of philosophy, the use of “ism” to represent a certain doctrine, theory, and system of thought gradually became popular (Williams, 1985: 173-174). The term “capitalism” is the result of the popular use of “ism”. The British historian Hobsbaum (1975: 13) argued that “capitalism” was not

coined until 1848, nor could it be widely used before the 1860s. In fact, it was not until the second half of the 19th century that the term appeared sporadically in scholarly works and discourses. During the 20th century, with the widespread rise of socialist revolutionary movements, the term was employed as the antithesis to socialism.

The Chinese term *ziben zhuyi* 资本主义 (capitalism) was borrowed from Japan. In 1899, Junzo Fukui (1899: 161-162) used the term *Shihon shugi* 資本主義 (capitalism) in his book *Modern Socialism* (近世社会主义). In 1903, Zhao Bizhen (1873-1956), a student in Japan, translated Fukui's book into Chinese, and the Japanese term *Shihon shugi* 資本主義 was introduced to China (Fukui, 1984: 155-156). However, at that time, the term *ziben zhuyi* was not widely used in Japanese literature and its Chinese translation version, and most of the works on socialism used the terms such as *Ziben zhidu* (資本制度, capital system), *Zibenjia zhidu* (资本家制度, capitalist system), and *Ziben de shengchan zhidu* (资本的生产制度, capital production system).¹ In 1918, Li Dazhao used the term *ziben zhuyi* 资本主义 (capitalism) in articles such as *The Victory of Bolshevism* (*Buershenweike de shengli Bolshevism* 的胜利) and *The Victory of the Plebes* (*Shumin de shengli* 庶民的胜利). Since then, the word *ziben zhuyi* has gradually become a common term in Chinese works on socialism (Lippert, 2003: 158).

Reinhart Koselleck (1923-2006) concluded that an important difference between the basic modern concept of “capitalism” modern meaning is *politisierung* (political), that is, the concept is increasingly used politically, such as in publicity and mobilization campaigns. “Capitalism” also has this typical feature. In the political process of the 20th century, concepts such as “capitalism” and “socialism” became discourse tools in power struggles and the mobilization of various political forces because they involved confrontations between different modes of economic production and political institutional arrangements. The spread of “capitalism” from the West to China not only disseminated knowledge regarding academic theory but also gave the nation an opportunity to choose its path of development. In this study, the author explores the debate on socialism, particularly the discussions between modern Chinese intellectuals on whether China should take the path of capitalism or socialism. This debate was regarded as the first attempt to connect the concept of “capitalism” with modern China.

II. "CAPITALISM" IN THE EYES OF THE GUILD SOCIALIST ZHANG DONGSUN

Zhang Dongsun is a complicated figure in modern Chinese history. In his youth, Zhang was sponsored by the government to study at the Philosophy Department of Tokyo Imperial University in Japan. During his study, he was deeply influenced by the reformist ideas of Liang Qichao and others. In 1911, Dongsun returned to China and was awarded the title of *Jinshi* 进士 (a successful candidate in the highest imperial examinations) by the Qing government. In 1912, spurred by a revolutionary spirit, Dongsun went south from Beijing and joined the Provisional Government of the Republic of China as secretary of the Ministry of Internal Affairs. After Yuan Shikai (1859-1916) assumed the post of interim president and the interim government relocated to Beijing, Dongsun faded out of politics and began paying attention to current affairs as a political commentator.

Zhang Dongsun was an active disseminator of socialist ideology. In 1919, he founded the *Liberation and Transformation* (*Jiefang yu gaizao* 解放与改造) magazine in Shanghai. As the chief editor, he wrote the founding manifesto and published an editorial entitled "The Third Civilization" (*Disanzhong wenming* 第三种文明), which explicitly advocated socialism. He later published articles such as "New Thoughts and New Movements" (*Xinsixiang yu xinyundong* 新思想与新运动), "Why Talk About Socialism" (*Weishenme yao jiang shehui zhuyi* 为什么要讲社会主义), and "Comment on the Way Capitalism Works" (*Ping ziben zhuyi de banshibanfa* 评资本主义的办事方法) in newspapers and magazines such as *Liberation and Transformation* and *Current Affairs*, which expanded the public discourse on socialism.

The socialism mentioned by Zhang Dongsun was Guild socialism, which was quite different from the Marxist and Leninist socialism advocated by the Communist Party of China (CPC). However, Dongsun's yearning for socialism and his critical stance toward "capitalism" were obvious. For instance, he once claimed in an article that "nationalism and capitalism have come to an end and cannot be sustained." (Zhang, 1919a) In another article, he reckoned that "socialism is a view of life and the world — and it is the most evolved and latest outlook on life and the world, and capitalism can hardly revitalize China." (Zhang, 1919b)

However, Zhang Dongsun's views of the debate on socialism were quite different from his previous opinions. On November 5, 1920, he published an article in *Current Affairs* based on his travels with the famous British philosopher Bertrand Russell in mainland China. In it, he argued that "China's only disease is poverty. The main way to save China is to increase wealth by developing industry." He deemed that "Empty talk is bound to be fruitless. China's most urgent task is to improve people's lives, so we need an 'ism' that can 'improve people's lives', instead of talking about European and American doctrines, such as socialism, nationalism, anarchism, majoritarianism." (Zhang, 1920a)

More than a month later, in the midst of a heated controversy over his article, Zhang Dongsun published another article entitled "Now and the Future" (*Xianzai yu jianglai* 现在与将来) in the *Transformation* magazine he founded to clarify his views. In this article, Zhang raised three questions for his readers to think about. The first question concerned China's current situation; the second its future; and the third its mission. In Zhang's view, China's main problem at the time was poverty, and the solution to poverty was to develop industry. Zhang argued that "capitalism" did better than socialism in developing industry and could solve China's poverty. Regarding "capitalism", he said its most important conceptual connotation lies in the capitalist economic mode of production, the capitalist political system, and "capitalism" from the perspective of Marxist criticism (Zhang, 1920b). He mainly perceived "capitalism" as an economic mode of production and attached great importance to Marxism's criticism of "capitalism". However, he did not pay much attention to the capitalist political system. By comparing the three economic modes of production — communism, communitarianism, and "capitalism" — Zhang deemed that "capitalism" was most suitable for the development of China at that time. However, he stated that the development of "capitalism" may result in social ills, such as uneven income distribution and class distinctions. Still, he argued, "capitalism" could play a unique role in China's future.

III. "CAPITALISM" IN THE EYES OF EARLY MARXISTS

On November 7, 1920, the third day after Zhang Dongsun published "Another Lesson Learned from Travelling in Mainland China" (*You neidi lüxing er de zhi you yi jiaoxun* 由内地旅行而得之又一教训), Chen

Wangdao (1891-1977) wrote an article in the *Awakening* (*Juemu* 觉悟), a supplement of the *Republic of China Daily* (*Minguo ribao* 民国日报), questioning Zhang Dongsun: “You think there is only one way to save China. Do you believe that capitalism is the only way?” (Chen, 1920) The next day, Shao Lizi (1882-1967) also wrote an article in the *Awakening* to criticize Zhang Dongsun (Shao, 1920). In December 1920, Chen Duxiu compiled 13 articles related to the early stages of the debate, including those by Zhang Dongsun, Chen Wangdao, Shao Lizi, and his own, and published the collected works as *The Discussion on Socialism* (*Guanyu shehui zhuyi de taolun* 关于社会主义的讨论) in *New Youth*, encouraging broader discussion on the topic. In February 1921, Liang Qichao published an article “Reply to Zhang Dongsun’s Discussion on the Socialist Movement” (*Fu Zhangdongsun shu lun shehui zhuyi yundong* 复张东荪书论社会主义运动) in the monthly journal *Transformation*. As a result, more people joined the debate. In March 1921, Li Dazhao successively published articles such as “Industry under Socialism” (*Shehui zhuyi xia zhi shiye* 社会主义下之实业), “Socialism in China and Capitalism in the World” (*Zhongguo de shehui zhuyi yu shijie de ziben zhuyi* 中国的社会主义与世界的资本主义). In May 1921, Li Da published the article “Discussing Socialism and Questioning Liang Qichao” (*Taolun shehui zhuyi bing zhiwen liangqiongong* 讨论社会主义并质梁任公) in *New Youth*. For a time, the debate on socialism was a hot topic.

Chen Duxiu’s five-article refutation of Zhang Dongsun’s articles, as well as articles by Li Dazhao, Li Da, and others, reflected socialist views of “capitalism”. On the whole, although the articles advocated socialism and criticized “capitalism” and claimed that China should follow the socialist path, the focus of the criticism was quite different. It can be said the people of that time understood the concept of “capitalism” from different perspectives.

The five articles in *Discussions on Socialism* are mainly reviews and letters, which reflect the author’s propositions and ideas, with some pointed criticisms. For instance, Shao Lizi refuted Zhang Dongsun based on the differences in economic productions between capitalism and socialism. Shao argued that *ziben zhuyi* (capitalism) was associated with “ignorance of capital” and “selfishness of capitalists”, while socialism opposes the selfishness of capitalism (Shao, 1920). Chen Duxiu refuted Zhang Dongsun from the perspective of foreign capitalism’s aggression against

China, arguing, “The main reason why China should reject capitalism is that foreign capitalism oppresses us more and more” (Chen, 1920).

Li Dazhao mainly criticized “capitalism” from the perspective of whether it is an effective mode of developing an economy. In his view, “capitalism” cannot achieve the concentration of capital, while socialism can effectively promote the concentration of capital and the popularization of labor. Therefore, “the revitalization of China’s industry must be implemented through socialism” (Li, 1921a). In another article, Li Dazhao clarified the relationship between capitalism and socialism from the overall development of world history. He reckoned that China’s evolution cannot “get rid of being influenced by the world’s economic power”. Although China did not go through a stage of capitalist development at that time, the Chinese people were oppressed by foreign capitalism, so China must “resist capitalism worldwide” (Li, 1921b).

Based on Marx’s critical theory of capitalism, Li Da (1921) refuted Liang Qichao’s articles one by one. Li employed Marxist terms such as “free competition” and “surplus value” to interpret the capitalist mode of production. He asserted that the capitalist mode might cause an “imbalance between supply and demand”, thereby affecting the development of productivity. Alternatively, he argued that the implementation of socialist public ownership could eliminate oppression and competition, thus maintaining the balance between production and consumption. Hence, Li reckoned that socialism was more suitable for the development of China. As a member of the Shanghai Communist Group, Li edited the monthly journal *Communist Party* (*Gongchandang* 共产党), publishing numerous articles to promote Marxism.

Li Da’s articles reflect the following information. Firstly, “capitalism” has rich and complex connotations. Except for Li Da’s overall criticism of “capitalism” his article “Discussing Socialism and Questioning Liang Qichao”, the articles by Shao Lizhi, Chen Duxiu, Li Dazhao, and others refuted “capitalism” from only a certain aspect. To some extent, only by integrating these aspects, can we present a more complete picture of how people understand “capitalism”. Secondly, although the proponents of “capitalism” and socialism did not come to an agreement on which path to take for China’s development, the two sides did reach a consensus on their notions of “capitalism” and “socialism”. For example, they all argued that the economic mode of production represented by “capitalism” is more advanced and reasonable than that of a traditional society.

Additionally, they recognized that capitalist production is based on the private possession of the means of production, which can cause a series of issues, such as the polarization of the rich and the poor and class conflicts. Indeed, this assumption is a basis for criticism of “capitalism” from a socio-political standpoint. Lastly, both parties in the debate argued that, to some extent, the socialist mode of production can avoid the problems that arise under capitalist production. However, the two sides had vast differences on how socialist production could be implemented successfully in China. Zhang Dongsun, Liang Qichao, and others asserted that “capitalism” was the key to China’s future, since it could lift the country out of backward production practices. However, Chen Duxiu, Li Dazhao, Li Da, et al, argued that, although China had low productivity, the shortcomings of “capitalism”, which had been observed in the West, should not be overlooked. Under the background that socialism became the world trend, China should develop socialism as soon as possible.

IV. THE DEGREE OF CAPITALIST IDEOLOGY IN DIFFERENT PERIODS AND CONTEXTS

The debate on socialism in the 1920s was the earliest controversy that centered on whether China should follow the path of capitalism or socialism. Since then, it is well known that under the leadership of the CPC, China has gradually embarked on a path of socialist revolution and construction. Correspondingly, the antagonistic relationship between capitalism and socialism often appears in various written and even oral discussions.

In 1961, the *Chinese Dictionary of Etymology* (*Cihai* 辞海), which was revised for the first time after the CPC gained national power, included the term “debate on socialism” and defined its nature as the “landlord and comprador class’s slander of the communist movement and their reactionary speech on reconciling class contradictions, which were severely refuted by many communists at that time, thereby expanding the influences of Marxism-Leninism” (*Cihai* editorial board, 1961:277). Meanwhile, Zhang Junmai (1887-1969), a former friend of Zhang Dongsun, talked about this debate when he studied abroad. He commented, “At that time, when Chinese people spoke of socialism, those who were Jacobinic advocated imitating the Soviet Union, while those who were moderate tended to learn from Fabianism and German social

democracy.” (Zhang, 1965) In Zhang Junmai’s view, the two sides of the debate only differed in viewpoints between “Jacobinic” and “moderate”, rather than “progressive” and “reactionary” in the sense of class revolution.

After China’s reform and opening up, as political tension eased, the debate/figures understood in the framework of revolutionary ideology show the trend of de-ideology. In 1996, Hu Sheng (1918-2000), the most famous historian among the CPC members, mentioned this debate in a conversation on the development of Marxism, looking back, Liang Qichao, Zhang Dongsun, et al., expressed many wrong views in the debate. However, they proposed a right view, that is, at that time, China’s economy was too backward to develop socialism. Chen Duxiu and others refuted them by saying that “socialism” is better than “capitalism” and that China can realize socialism directly through skipping the capitalist stage, but they were unable to figure out a clear path forward (Zheng, 1997). For Hu Sheng, although Zhang Dongsun, Liang Qichao, and others were mistaken, their understanding of China’s national conditions was accurate. Meanwhile, though Chen Duxiu and others debated vigorously, they offered no basic idea on how China could sidestep capitalism and fully realize socialism.

The above-mentioned expressions and interpretations of the debate on socialism reveal that, in different contexts, people have quite different understandings of the positions and motivations of the parties in the debate. Additionally, there are differences in the use of the highly politicized concepts of “capitalism” and “socialism”. In the context of the rising revolution, Liang Qichao and Zhang Dongsun, who held that China should take the path of capitalism, were regarded as reactionaries and their views were perceived as fallacies; while in the eyes of Zhang Junmai, who studied abroad, the debate on “capitalism” and “socialism” was just the difference between “Jacobinic” and “moderate” in the choice of China’s development path. He argued that Liang Qichao and Zhang Dongsun, who held China should take the capitalist path, actually wanted to take the path of British Fabianism or German social democracy. In the post-revolutionary context, especially since the reform and opening up, the political tension once generated by discussions on “capitalism” and “socialism” has been greatly reduced. Hence Hu Sheng and others could re-evaluate the debate at that time from a more objective perspective.

CONCLUSION

The central theme of this article is to focus on how the concept of “capitalism” was debated and expounded upon in articles and other media. By analyzing the use of “capitalism” by different parties in the debate, and the comments on this debate in three different contexts by later scholars, the following three conclusions can be drawn.

To start with, as a typical political concept, “capitalism” has an important feature, namely, politicization. From the moment *ziben zhuyi* (capitalism) was introduced to China, it provided a general description of a global trend, and reflected the thinking of Chinese intellectuals on China's future. What ensued were debates on whether capitalism or socialism was best for the country.

Secondly, because of its rich connotation, “capitalism” is a complex concept in China. When using “capitalism”, people rarely reflect on its complete meaning. For example, the articles by Li Dazhao and others mainly refuted “capitalism” based on one aspect. Various topics such as socioeconomic status (the polarization between the rich and the poor), the stratification of the social structure (class distinctions), and the development of international politics (the world war) became part of the idea of “capitalism”. To some extent, only by integrating these aspects, can we present a comprehensive picture of people's understanding of “capitalism” at that time.

Lastly, the degree of capitalist ideology varied across periods and contexts. In the context of the rising revolution, “capitalism” was viewed as “reactionary”. In the eyes of Zhang Junmai, who studied overseas, the only difference between “capitalism” and “socialism” was the difference between “Jacobinic” and “moderate”. In the post-revolutionary context, the concept “capitalism” has increasingly been depoliticized.

Notes

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¹ See Anonymous (1906a) and Anonymous (1906b).

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