

China and the State of World Capitalism

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For those who are able to think beyond such common stupidities that China is a communist dictatorship rather than world's most voraciously growing capitalist behemoth, and that counterposed to China the US and Nato allies are capitalist free states spreading their benevolence around the world rather than gangsters smashing every state that refuses to bend to its will, one can get a clearer picture of the crises of capitalism by observing the youthful version of the system in China rather than the decrepit American example that survives by bullying both friend and foe.

China's move toward capitalism came at the end of the 70's shortly after the death of Mao and survived a definitive juncture at the end of the 80's when workers with the support of units from the People's Army attempted to halt if not reverse its consolidation. With that and the end of the USSR began a love affair between China and the West – investment and modernization from the West and massive profits from the East thanks to a skilled and very productive work force.

That came to the end in 2008 with the depression and its lingering after effects which created grounds for a divorce between the two versions of capitalism. The US and its allies wanted an arranged relationship in which they were dominant. China, with what it learned from its nominal Marxism and the Russian experience, was alert to the risks they faced. Both retreated from their relationship with the west taking potshots at China and the latter emulating the West's history of colonialism and imperialism by working to create its own string of nations economically dominated by China.

In recent days China has been shocking the West because of its shaming and subduing of some of its most prominent capitalists without any concern about the damage being done to the markets. Old Stalinists interpret such actions as the resurfacing of communist principles when in fact it is the realization by the Stalinist state that they have created an enemy within which now accounts for two thirds of the GDP.

They thought they had sealed off that link to capitalism in Hong Kong forgetting that their capitalists will want the same free ranging capitalism that is enjoyed by their friends in the West. The bureaucrats counter attack is an attempt to obtain support from the workers. Thus the ending of the 996 – work weeks that are from 9am to 9pm, 6 days a week. The purportedly communist regime is one with the widest gap in the world between the rich and the poor.

It won't work in the long run not only because the ruling 'communist' elite are the richest capitalists in the country, albeit in the form of coupon clippers rather than direct exploiters, but because the system does require the free flow of capital. That free flow also applies to the masses. The fluctuations in capitalist manufacturing and trade requires a flexible labor force, mobile and sufficient for the purpose, and encompassing the entire world. That loosening of personal constriction becomes a generalized desire, and one of the few attractions the system can offer the masses. A bureaucratic state can't help but be inefficient in a capitalist market system. Eventually they will either have to break with capitalism altogether (which they will never willingly do) or open up to a democratic bourgeois state. Either that, or hold on until the world decides it has enough of us and pulls the plug on human existence.

Non-Compete Agreement

Many are probably aware that newly hired top executives must sign non compete agreements barring them from leaving their job to take another with a competitor for a stated period of time, but would be surprised to learn that many force all new hires down to the janitor level to sign such wage slave agreements.

According to an Economic Policy Institute report between 28% and 47% of private sector employers subject workers to such agreements as a condition of hiring. Some companies have enforced such agreements to laid off workers. Amazon has even gone so far as withhold severance for laid off workers until they reaffirm the agreement. The company eventually ended that practice because of the negative publicity.

Much like slave and feudal societies the inability to freely sell ones labor power to highest bidder means less income and an inferior quality of life. It's difficult to determine how much more a person would earn without a non-compete agreement. One fairly well defined study in Hawaii indicated a 4.2% difference.

Only three states outlaw them and one, California, allows employers to include them in labor contracts even though they won't be enforced. Such ignorance of the law as a controlling force is more commonly used in leases that require renters to 'sign-away' their constitutional right to sue landlords for lease violations.

Biden signed an executive order for the FTC to look into non-competes that go too far in their restrictions. No doubt it will take some time and still retain something objectionable.

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