



Potential Reserve Army and Diverging Paths of Transition in Former State Socialist Economies

By Zhun Xu

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Zhun Xu¹

Abstract

Since the rise of neoliberalism in the world in the last quarter of the 20th century, many former state socialist economies also started their transition into different kinds of market economic models. Over the course of the last three decades or so, there emerged distinct paths of transition among these economies. This paper proposes a Marxian framework to help understand the three major models of transitions among former socialist economies: the Russian path, the Chinese path, and the Cuban/North Korean path. The framework focuses on the differences in working-class composition and in particular the size of the potential reserve army in these socialist economies. An examination of the historical process of market reforms in former state socialist economies suggests that a sizable potential reserve army could give rise to a gradual approach to neoliberal transition while a negligible potential reserve army could lead to either a shock therapy or a long impasse.

¹ Associate Professor of Economics, John Jay College, City University of New York and Howard University. zhun1949@gmail.com.

Since the rise of neoliberalism in the world in the last quarter of the 20th century, many former state socialist economies also started their transition into different kinds of market economic models. Over the course of the last three decades or so, there emerged distinct paths of transition among these economies. There were huge differences in the policies as well as outcomes between Russia and China. At the same time, it is easy to notice that countries like North Korea and to a less extent Cuba seem to continue following a more traditional state socialist economic model without a major change in their social relations of production.

What explains such wide divergences among these economies? Scholars have long pointed out the profound impact of different ideologies and transition strategies (shock therapy vs gradualism among others) in Russia and China (see the discussions in Burawoy 1996, Kotz 2005, Whyte 2009, Weber 2020). These factors played a crucial role in each country's historical path, but these ideas and decisions were themselves the result of concrete social, political, and economic relations, and need to be explained.

Interestingly, Jeffery Sachs, the then influential advocate for shock therapy, was among the first to spell out the political economy of neoliberal transitions. In an effort to defend shock therapy, Sachs and Woo (1994) and Sachs (1995) argued it was China's agricultural dominated economic structure that proved to be "so felicitous to reform". And Sachs defended the necessity of shock therapy and argued the high level of industrialization and social welfare in the eastern European and former Soviet Union made gradual transition impossible.

Sachs' somewhat optimistic prediction about the Russian economy in his papers has not aged well, but is he correct after all about the political economy of reform strategies? This paper proposes a Marxian framework to help understand the divergence in transitions among former

socialist economies. The framework focuses on the differences in working-class composition and in particular the size of the potential reserve army in these socialist economies.

Some brief historical and theoretical contexts below may help illustrate the relevance of (potential) reserve army. The concept generally refers to those people who are unemployed or semi-unemployed in capitalism, as against the active labor army. It serves as one of the vital support mechanisms of capitalism is, as Marx (1967, p. 592) points out that it is "the lever of capitalistic accumulation, nay, a condition of existence of the capitalist mode of production." Working as a reservoir, the reserve army "during the periods of stagnation and average prosperity, weighs down the active labor-army; during the periods of over-production and paroxysm, it holds its pretensions in check."

In cases where reserve army shrank too much (below a certain "natural" level), capitalism often ran into crises (Pollin 1998). Following the Great Depression, the regulated capitalism guided by Keynesianism brought a period of the low unemployment rate and economic prosperity in advanced capitalist economies. With other forces, this in turn contributed at least partly to the rising labor militancy/cost, as well as the crisis of the 1970s (Amstrong et al 1991; Kotz 2015, p. 63-67). Following the crisis, the capitalist class started to shift away from the regulated model. The rise of neoliberalism, on the macro level, necessarily involved the task of defeating the working class and rebuilding a pro-capital regime by privatization and deregulation (Glyn 2006).

However, these offensives against workers in these developed economies, in general, would not have worked well without a global momentum of anti-labor reforms. This was particularly the case in the rise of the now dominant multinational firms, which longed to be free of national regulations, and desperately needed a global workforce and the corresponding labor reservoir. It

should be noted that even before the crisis in the 1970s, the forces that eventually brought about neoliberalism started to consolidate on the reserve army issue. Stephen Hymer, a leading scholar on the multinational corporations, already saw the prospect of "internationalization of capital" in the early 1970s. According to Hymer (1972), "The unlimited supply of labor in Europe is drying up as they exhaust their own populations and the possibilities for importing cheap labor", and "Firms from all these countries are looking more and more toward labor in outlying fields." Hymer (1972) also pointed out that the potential surplus labor was in Eastern Europe, China, as well as the whole third world, as the cost remained low while potential productivity has increased substantially "due to government expansion of education, urban and industrial infrastructure, and other services."

Despite the clear potentials, the demand for a new reserve army would remain unmet without a great transformation of the social relations in the potential sources of the labor force. The global reserve army could not fall from the sky. It required a "structural adjustment" and a major shift in policies away from the progressive and socialist-inspired goals in many third world countries after their independence. What this boils down to, is that a good number of workers in the world had to lose their jobs, and they did. In other words, the creation of a local/national reserve army was the prerequisite of the creation of a global reserve army.

Historically, the reforms in state socialist economies like China and the former Soviet Union played a major role in this process. These economies had nearly full employment, and they did not need and did not have a reserve army of labor. The later reforms essentially separated labor from means of production and created a functioning reserve army. The way this played out in each country, of course, could and did vary greatly across borders. This article argues that the key variable here was the size of the potential reserve army, that is, sections of the working class

which could be transformed into reserve army easily. The analysis argues that despite the largely similar motivations among the elites and the early reform policies, the actual historical path was significantly shaped by the relative size of the potential reserve army in each economy and the corresponding class politics. An examination of the historical process of market reforms in former state socialist economies suggests that a sizable potential reserve army could give rise to a gradual approach to neoliberal transition while a negligible potential reserve army precluded such gradualist possibilities.

The next section will discuss the origins of the potential reserve army in former socialist economies. We then present the history of transitions in both the Soviet Union and China to illustrate how the potential reserve army made an impact on the neoliberal transitions in both countries. The fourth section explores the more general implications of the analysis and applies it to countries such as Vietnam, North Korea, and Cuba. The last section concludes the paper.

The potential reserve army in the Soviet Union and China

Early Marxian writings, such as the Communist Manifesto, sometimes envisioned a future revolutionary scenario when the society is increasingly divided into a large industrial proletariat and a small group of capitalists. Although in terms of the general trend, the claim is certainly valid, but the reality then was much more complex. Marx and Engels during their lifetime already seriously acknowledged the co-existence of capitalist and pre-capitalist social relations in a large part of the world. In his letter to Zasulich in 1881, Marx (2010) mentioned under certain

conditions, the rural communes in Russia may become "the fulcrum for social regeneration". Engels (1990) writing about the German peasantry in 1894, commented that the peasantry remained an important factor in Western Europe except in Britain proper and Prussia east of the Elbe.

At the same time, the epicenter of the revolution kept moving to the East, the less developed region. In 1848, Marx and Engels saw Germany being the new frontier of the revolution following Britain and France. While by the turn of the 20th century, Kautsky and Lenin both anticipated Russia as the new center (Lenin 1966, p. 22). The fact that a sizable peasantry may still exist by the eve of revolution posed important political and theoretical questions. These questions already concerned German social democrats in the 1890s, and it became even more so for the Russian communists in the 20th century. As the revolution did not succeed in the more developed part of Europe, Lenin and his comrades faced an unprecedented challenge of building socialism in a country with a relatively low level of capitalist development.

These historical conditions paved the way for a sometimes painful process of industrialization. But despite the many difficulties, the first socialist country made dramatic achievements. In terms of net material product, the Soviet Union grew five-fold between 1928 and 1940 and already become a major industrial power by the start of the Second World War (Kotz and Weir 2007, p.34-6). After defeating the Nazis with huge sacrifices, the Soviet Union still maintained a steady rate of economic growth. Between 1946 and 1985 when the Soviet Union started its market reforms, Soviet Union's real per capita GDP in 2011 US dollars grew about 3.2 percent per year, about 50 percent higher than either the United States or the United Kingdom.²

² Calculated based on Maddison Project Database, version 2018. Bolt et al (2018).

The long sustained growth in the Soviet Union created a predominantly urban society and a large domestic working class. Between 1917 and 1982, the share of the country's urban population increased from 18 percent to 64 percent (Yanitsky 1986). The urban population increased by 142.6 million, and most of this increase came from rural to urban migrants (Yanitsky 1986). In the early 1970s, the share of employment in the industry was 47 percent in the Soviet Union, in between the USA (37 percent) and England (55 percent) (Livshits 1974). In 1989, near the end of the Soviet era, the industry share of employment was about 57 percent, while 18 percent worked in agriculture and 25 percent worked in service (US Bureau of Census 1991).

If the Soviet Union represented the more advanced end of the socialist spectrum, China probably would sit on the other end. Building its revolution from the countryside, the Chinese communists won a country with a largely rural population that has suffered from a century of colonial and imperialist invasions and oppressions. Mao and his comrades faced much harsher conditions in developing socialism compared to their Soviet counterparts.

Like other socialist economies, China's economic growth under state socialism was also remarkable. The real per capita GDP in constant 2011 US dollars grew at 3 percent annually between 1950 and 1980.³ But perhaps partly due to the relatively lower starting point, by 1980 China remained a predominantly agrarian economy. In 1949 when the People's Republic was founded, the share of urban population was 10 percent, and it increased to 19 percent in 1980 on the eve of market reforms (State Statistical Bureau (SSB) 2010). In 1980, 69 percent of the employment was in agriculture, 18 percent was in the industry and the remaining 13 percent was in service (SSB 2010).

³ Calculated based on Maddison Project Database, version 2018. Bolt et al (2018).

It is not unreasonable to speculate that given sufficient time, China would move closer to where the Soviet Union was in terms of economic development and industrialization. At the historical juncture of the 1980s, however, there were qualitative differences between the working class compositions in the two countries, which had profound implications regarding the question of the potential reserve army.

China's economy was much more segmented in that urban workers enjoyed much higher income and better access to culture, healthcare than their rural counterparts. An average urban resident earned 150 percent more than the income of a rural resident in 1980 (Xu 2018, p. 77). For China as a whole, the income distribution was highly egalitarian, but the inequality between rural and urban communities was stark. China's Gini coefficient, according to one estimate, was just 0.31 in 1980, and more than 50 percent of the inequality was due to rural-urban income differences (Chen et al 2010).

This rural-urban, or peasant-worker alliance in the Soviet Union seemed much more solid. According to Alexeev and Gaddy (1993), the Gini coefficient of income in the Soviet Union was lower than 0.3 throughout the 1980s. More importantly, the rural-urban inequality was not that large. In 1988, for example, the per capita income of households of Kolkhoz members (rural collectives) in the Russian Federation was only 14 percent less than that of state employees (Flakierski 1992). In the richer Baltic republics, the rural collectives provided an even higher income than the state (Flakierski 1992).

The rural-urban divide in China partly followed from the peasant question from the 19th-century revolutions. The weak link in global capitalism provided a great starting point for revolution, as Lenin and Mao illustrated well by their pens and guns. But it also implied that for an extended

length of time, the working class would likely be divided into two unequal segments. It was no longer the case for the Soviet Union but was still prevalent in China in the 1980s.

It is worth keeping in mind that (urban) workers in both the Soviet Union and China had strong interests to stay in the state-owned enterprises/socialist economy. The socialist economy in the Soviet Union and China provided the urban workers stable jobs, free or very affordable housing, education, and healthcare, none of which would be provided by the private economy. The advantage of the socialist system to the workers was clear in many other ways. In 1988, an average industry worker in the Soviet Union worked 34.9 hours per week, while the nonagricultural wage workers in the US worked 39.1 hours per week, and the self-employed worked 41 hours per week (US Bureau of Census 1991). In 1987, the average age upon receipt of social security benefits in the US was 63.6 (male) and 63.3 (female), while the age in the Soviet Union was 58.5 (male) and 54.6 (female) (US Bureau of Census 1991). Given the high degree of industrialization and urbanization, and the little difference between urban and rural incomes, the Soviet public in general had not much interest in neoliberal economic reforms, as Kotz and Weir (2007, p.132-3) showed.

The significance of China's large and poor rural population was that rather than a more unified interest of the Soviet working class, the Chinese working class was divided by the rural-urban line and tended to have two different voices/answers to the market reforms. The massive rural working-class (commune members/peasants) in China enjoyed fewer benefits from socialism and were more inclined to embrace the market reforms and join the non-socialist sector. In this sense, the rural economy was the weak link of socialism in China and the rural working class could be relatively easily turned into a large reserve army for China's new market economy.

To global capitalism, most labors in the East and South were part of a potential reserve army. While to each country's capitalists or wannabe-capitalists, the weak link of the working class constituted their national potential reserve army. Such weak link did not explicitly exist in the Soviet Union, while it was still visible in China. Sachs (1995) argued that while China's iron rice bowl (job tenure, adequate income and benefits) covered less than 20 percent of population, the Soviet Union and eastern European countries had a universal iron rice bowl. Thus the soviet economy gave rise to a much more extensive "sense of entitlement" among their large working class than among the Chinese counterparts, and the neoliberal reforms were viewed with "so little enthusiasm" among both workers and farmers in the Soviet Union (Sachs and Woo 1994). Thus the neoliberal transition had a somewhat friendlier situation in China than in the Soviet Union based on the different levels of socialist development. As mentioned above, the huge labor force in China and the Soviet Union can only become a capitalist labor force with a significant structural change. This change can take different forms, however, depending on the size of the potential reserve army and its political economy in each country, which we will turn to in the next section.

The paths of transition in the Soviet Union and China

The state socialist regimes in the Soviet Union, China, and other similar countries in the 20th century often had the following features: the political power concentrated in the party-state elites, while the economic output was relatively equally shared among the elites and the working class. One of the contradictions was that the people in power were often unsatisfied with the system,

unlike what capitalists often feel about capitalism. Although the party-state elites enjoyed certain privileges in this regime, they had much lower income and much more uncertain careers compared to their peers in capitalist economies (Kotz and Weir 2007, p. 106-7). Mao Zedong famously called these elites as capitalist roaders and the pro-capitalist political coalition was already in formation during Mao's time (Li 2008, p. 55-61; Xu 2018). The material incentives of these elites to bring in capitalist social relations were strong. And despite the many differences between the Soviet Union and China, the motivations of starting these neoliberal transitions were certainly similar in both countries.

As Marx (1979) said, "Men make their own history, but they do not make it as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past." Since there was widespread support for socialism in China and the Soviet Union throughout the reform period, and the workers already had some key formal and informal power in the system such as life-long jobs and access to affordable housing, education, and healthcare, the pro-capitalist elites had to be careful and resourceful. The whole reform was a continuous and intense political struggle, and the Soviet Union and China only diverged in the middle.

The Soviet Union and China started its first phase of economic reform by virtually the same strategy (Sachs 1995). It was granting more autonomy to public-owned enterprises which meant that the enterprises would have more freedom in what to produce, where to sell and how to allocate the profits (Kotz and Weir 2007, pp. 76; Qi 2018). The policymakers may have hoped that the imitation of un-coordinated capitalist enterprises would gradually replace the central planning economy with a genuine market economy. The naivety aside, the political aim of such reform programs was more than clear. The leadership was trying to get support for more market

reform by pleasing the working class (and others). The workers still kept their tenured jobs and all the benefits, which meant the state kept the massive social spending. Moreover, the more autonomous enterprises tended to allocate more wages and bonuses to the workers since the workers retained their job tenures and other informal power. And the enterprises and the managers can also get a larger share at the same time.

This political strategy, however, suffered from fundamental contradictions. First of all, this reform, by keeping workers intact, could not build a functioning reserve army and thus the capitalist market economy. And subsequently, the seemingly pro-worker allocation meant the state received less income (while keeping the social spending) and the enterprises spent less on investment, which led to increasing fiscal deficit and less capital accumulation and output growth (Kotz and Weir 2007, pp. 76-77; Qi 2018).

Not surprisingly, the early reforms soon produced chaos and crisis. During the Soviet crisis phase of 1988-1989, the consumer goods market saw growing shortages, the government fiscal revenue declined, and capital accumulation slowed down dramatically (Kotz and Weir 2007, p.77-80). A similar crisis happened repeatedly in China, first in the early 1980s (Xu 2018, p.70-72), and then throughout the 1980s and early 1990s (Qi 2018). These failures in essence proved it impossible to have a smooth and peaceful neoliberal transition, at least in the industrial sector of the former socialist economies.

The early phase of the reform might have facilitated further market reform in two ways. First, the workers had a short term gain in their income, which solidified their support for more market reforms. Second, the later crisis, despite caused by the market reform, further challenged the

legitimacy of state socialism and increased the appeal of a more radical neoliberal transition (Kotz and Weir 2007, p.80).

Since the more benevolent approach had failed, the Soviet party-state elites then seized the crisis momentum and chose to use the "shock therapy" to defeat the whole Soviet working class once and for all. The living standards of the working class deteriorated rapidly and the means of production quickly concentrated in the former elites' hands (Kotz and Weir 2007, p.214-221). This was a wise move for them since such an opportunity may not arise again as we shall see in other countries' examples in the next section. It was, however, definitely a most devastating way of transition for the Soviet people who had built an alternative society through generations of sacrifices and struggles.

The Chinese elites, on the other hand, were not in the same dead-end yet. Despite the failed urban reforms, they have yet to touch the vast rural working class. The Chinese elites then basically paused the urban reform and spent the early years of the 1980s on rural reforms. In 1984, the Chinese government dismantled the rural communes and divided the collective land to each rural household, which was made possible only by coercive commands, intensive political campaigns, and generous agricultural subsidy (Hinton 1990, Xu 2018).

The commune system, although had remarkable achievements, had its own weaknesses and problems (Xu 2018). Chinese agricultural production at the time was still largely manual labor based, so the collective work could still be easily individualized such as dividing the plot to each household. It would be indeed impossible to divide the machines into pieces for each worker. And more importantly, given the huge rural-urban divide, an insecure and low pay employment opportunity in the new private business in the urban areas could be quite attractive.

The Chinese rural communes used to keep the rural workers fully occupied throughout the year by collective projects such as infrastructure building. Patnaik and Natrajan (2000) summarized different estimates and concluded that the average annual workdays per worker more than doubled under the communes from a little more than 100 days to about 250 days. With the communes in the past, there suddenly emerged a large number of "surplus labor" (Patnaik and Natrajan 2000, Qi and Li 2019). It became even worse later with a more explicit capitalist transformation of Chinese agriculture and the emergence of a large rural proletariat (Xu 2017).

These surplus laborers became the basis for the migrant workers and the new reserve army. They worked in the newly developed private and semi-private firms in urban areas. And many, if not most of such private-sector jobs are in the informal economy without a living wage and labor protection (Xu et al, 2015; Chen and Xu 2017). An estimate in the 1990s suggested the number of workers released from the agricultural sector by then was easily more than 100 million (Rawski and Mead 1998). The recent national survey in 2019 reported a massive 290 million migrant workers in China.⁴

With the "success" of the rural reforms, a booming private economy outside the socialist sector, and a new large reserve army, the Chinese elites then finally moved on to tackle the remaining question of the urban working class in the late 1990s. It was already more than 10 years after the rural reform. Technically speaking, China had its own shock therapy not that different from the Soviet Union's, but the shock therapy took place within an already developed market economy, thus did not cause society-wide chaos. That, however, did not make the urban neoliberal transition any less brutal. Between 1995 and 2002, the privatization and market reform led to 45 million lay-offs in the state and collective owned enterprises (Giles et al 2005). These job losses

⁴ http://www.stats.gov.cn/tjsj/zxfb/202004/t20200430_1742724.html, in Chinese, accessed July 1, 2020.

were permanent. In 1995, the state and collective owned enterprises together employed 144 million workers, and in 2018, the remaining such enterprises only employed about 61 million workers.⁵

Where the Soviet Union had to confront the whole working class, China was able to divide and conquer, utilizing the large potential reserve army in the countryside. The difference was probably less about how the elites had different goals but were rather due to the different sets of conditions that they had to work with.

Three models of the historical transition

The neoliberal transitions everywhere have been at the expense of the working people, but the way the transition took place could be quite different as we have shown above. Historically, three distinct paths evolved during such transitions in the former socialist economies.

The first is the Russian path, which featured a more developed socialist economy and a higher level of industrialization and urbanization. The history of the Soviet Union suggests that only a complete overhaul can destroy the resistance to the neoliberal transition and create a functioning capitalist market economy. The second is the Chinese path, which arose from a less developed socialist economy and a large rural population and a significant rural-urban divide. The Chinese history shows that, under such conditions, the elites had more space to build allies for market reforms and could potentially finish the neoliberal transition without disrupting the entire economy and fighting the whole working class together. Within the socialist bloc, much of

⁵ Based on China Statistical Yearbook, 2019.

Eastern Europe had a fairly high level of industrialization and followed the Russian path, while the more agrarian Vietnam followed the Chinese path.

There is a third path that largely maintained the traditional state socialist model while kept experimenting with market reforms. There are clear tensions between the two directions and the forces behind those, but it has not reached any political conclusions since the demise of the Soviet Union. Both North Korea and Cuba would fall into this impasse category and it is useful to closely examine the two countries.

The two countries, despite other obvious differences, share some important common features. Most importantly, both had relatively developed economies with a large share of the urban working class. Despite later severe challenges, the North Korean economy before the demise of the Soviet Union was fairly successful. In 1975, North Korea's per capita GDP already reached 2057 in 2011 US dollars, a level that China first surpassed in 1995, and India in 2008.⁶ Like the Soviet Union, North Korea also had a high level of industrialization and urbanization. An estimate suggests that North Korea's industry share of employment in 1987 was 57 percent, which was the highest among all the socialist countries in that period (Noland 1997). The agriculture share of employment was just 25 percent in 1987 (Noland 1997); as a reference, China in 2018 still had 26 percent of employment in agriculture.⁷ The Cuban economy was in an even better position. In 1985, Cuba's per capita GDP reached 7455 in 2011 US dollars, and China only surpassed that record in 2007. Cuba also has a fairly urbanized society even before the revolution. In 1950, the urban population was 49 percent, which increased to 74 percent by 1997 (Ebanks 1998). In 1970, 87.5 percent of the economic active population were state workers

⁶ Maddison Project Database, version 2018. Bolt et al (2018).

⁷ Based on China Statistical Yearbook, 2019.

(Veltmeyer and Rushton 2011, p. 63). Before the recent major reduction of state payrolls, in 2009, 83.8 percent of employment was in the state sector; even after the reform in 2010, the state employment share was still 75 percent in 2012 (González-Corzo and Justo 2014).

The highly urbanized/industrialized economy and its lack of a clear potential reserve army likely presented a similar challenge to the pro-market elites in both countries. It also implies that a gradual approach like the Chinese path to reform is not feasible. The potential of following the Russian path, however, was also limited by their other two similar conditions.

First, the domestic pro-market elites missed the key opportunity. In both the Soviet Union and China, the first generation revolutionary leaders (Lenin and Mao) passed away before these countries embarked on their reforms. The second or third-generation leadership was often more careerist than communist. On the contrary, both North Korea and Cuba's first-generation revolutionary leaders (Castro and Kim) were still in power by the demise of the Soviet Union. It could still be possible, but rarely communist leaders like them would change their ideology and embrace neoliberal reforms. Even after they passed away, the Russian path's disastrous consequences for sure dampened the popular appeal of whatever market reform plans in other countries. Once North Korea and Cuba missed the critical historical juncture, it would be hard to build the momentum for nationwide shock therapy.

Second, the returns from such reform are somewhat uncertain for the elites in North Korea and Cuba. The new Russian capitalists were mostly old Soviet elites. But this is unlikely to be the case for North Korean elites, as unification will inevitably happen following the shock therapy and the South Korean big capital will be much better equipped to take over the remains of North Korea. Similarly, the Cuban exiles, backed by the US, would likely claim a large share in the

nation's assets once Cuba takes the Russian path. The US aggression against both countries only strengthens such uncertainty, and decreases the willingness of undertaking the highly risky Russian path.

All these factors have seemingly left North Korea and Cuba at an impasse as of now. The sanctions and other hardships may gradually create a space for the private economy and a new reserve army, which could become the basis for further market reforms. But without a major external shock, it is possible to see the current model lasting a relatively long time.

Conclusion

Institutional changes are likely to first happen in places with weaker support for the status quo. This thesis of "weak link" applies to revolutions as well as counter-revolutions. The multiple oppressions from both imperialist powers and domestic feudal lords and their allies made it hard for the national bourgeoisie to build a successful revolution in the underdeveloped regions. That provided the historical space for the communist-led revolutions in the 20th century. With all the great achievements, the contradictions of these state socialist societies created internal dynamics towards later neoliberal transitions. Having to defeat the working class and transform them into the proletariat, the pro-market elites tried and eventually chose different paths in different countries. This article argues that these different paths were based on the size of the potential reserve army and other related historical conditions, rather than different motivations or traditions.

The temporary success of capitalists has brought great catastrophe to global working people. On the other hand, the failures of many former state socialist societies also provided invaluable lessons and experiences for Marxists. Moreover, capitalists constantly create their own gravediggers, and the capitalists' aggressions in the last several decades have probably created more diggers than ever before. In countries like China, the urban working class has expanded greatly. It is not unreasonable to expect that the future revolutionaries will not need to worry as much about the rural-urban divide and the potential reserve army. New contradictions and problems, of course, will still be there, but socialists might eventually be able to struggle at a higher level of human civilization. Socialism is dead, long live socialism.

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