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Conclusion:
The rise of China and the new international order

(...)

Since the last quarter of the XX century China has been investing in the development of the most important power resources that have contributed to the realization of this goal: investments abroad, the creation of the AIIB, the internationalization of the RMB, increasing implications in international, regional and global organisations, the diffusion of Chinese culture abroad and, last but not least, the development of military resources. In 2013 these resources have converged into China's global grand strategy, the 'One Belt One Road Initiative (OBOR), as I explained in chapter 5.

China's strategy had to be global as its major competitors, Europe first and then the US, have developed a global strategy of their own since the beginning of the Renaissance with the aim to dominate the world. We should not forget that on the eve of World War I at least 80% of the planet was under Western (mainly European) domination. After the collapse of European powers in 1945, China's major competitor was the US, whose fundamental goal is to maintain the liberal, capitalist international order 'America made', thereby safeguarding the US leading role within this system, and consequently its opposition to the rise of states that could contest the existing order. We have seen in chapter 4 that the US has achieved this remarkable result by developing, since the establishment of the federal state in the XVIII century, a conquering ideology that led to the expansion of its dominance all over the world, thus realizing, above all expectations, Thomas Jefferson's dream: 'However our present interests may restrain us within our limits, it is impossible not to look forward to distant times when our multiplication will expand it beyond those limits, and cover the whole northern, if not the southern continent, with people speaking the same language, governed in similar forms, and by similar laws.'

To achieve this dream, the US has invested heavily in the most pertinent power resources that have allowed it to become the sole super power after the collapse of the Soviet Union: a faster developing capitalist economy (that is expansionist by nature), science and technology, powerful armaments, interventions in wars that, at least until the end of World War II, ended with a long series of consecutive ‘expansions’ of US’ reach in the world. Furthermore, one should not forget the diffusion of an attractive ideology based upon the values of democracy, progress, freedom, and human rights that, according to some American experts of foreign policy, have convinced other countries and people to willingly accept US dominance, thereby implementing the famous concept of ‘soft power’. As I have sustained in chapter 2 (section 1), this concept is an intellectual fraud, that can be used to mask the real nature of power. i.e. domination. Certainly, the US intervened on many occasions to protect the weak and to fight injustice and dictatorships, the clearest example being its contribution to the defeat of the Axis power in World War II. Nevertheless, it remains that no country can easily accept to be told, after the liberation, what to do, and accept the presence on its soil of a foreign, albeit friendly, army. We have seen in chapter 4 that this is a frequent outcome of the ‘liberations’ by the US army.¹

This is not to say that this kind of behaviour is typical of the US foreign policy. Every conquering power (at least from the Roman Empire up to the XIX century European colonialism) has retained its grip upon the ‘liberated country’, after it had established its rule thanks to the superiority of its economy and army. Most of the time it has been able to maintain its rule after ‘liberation’, thanks to the support of a significative part of the local elite, that saw its advantage in cooperating with the ‘conqueror’ or the ‘liberator’. After the collapse of the Soviet Union the US could have withdrawn their armies from many parts of the world, e.g. from Europe. Until then, the perceived menace from the Soviet Union and the military weakness of Western Europe, were an understandable justification for maintaining

¹ Of course, this does not mean that after the ‘liberation’ the liberated and the liberator must cease all kinds of cooperation, including military alliances. A good example is the decision taken by the President of France, General De Gaulle, who in the March 1966 very politely, but firmly, asked the US to withdraw its military bases from France, while keeping France within the NATO alliance: Georges Chaffard, ‘En mars 1966, le Général de Gaulle décide de faire sortir la France du commandement intégré de l’Otan.’, *L’Express*, 13 March 1966, http://www.lexpress.fr/informations/sans-titre_741768.html, accessed 20 August 2017.

military bases in the liberated Europe. But after 1991, the weakness of Russia should have led the US to undertake a policy of cooperation between Western powers and Russia, with the aim of helping the Russian leaders to transform their country into a more open and just society. Instead, the former Soviet bloc was considered as a territory to be conquered. From that time on, numerous US interventions abroad have been justified by the desire to diffuse democracy, freedom and human rights, thus building upon two of the traditional values of American ideology: 'manifest destiny' and 'universalism' that on many occasions have been used to justify military interventions abroad (see Chapter 4, pp. 7-8, 96-99).

Historical experiences show that using the military is not necessarily the most efficient way to diffuse democracy and human rights, as the examples of Afghanistan, Iraq, and Libya very well demonstrate. Moreover, if military presence is necessary after the 'liberation', what is then the value of 'soft power', i.e. the attractiveness of democracy, freedom and human rights? To this one can add the crisis of democracy in the West, and more particularly of the US, that can no longer be presented as one of the most attractive dimensions of 'soft power'. The consequence is that the continuing use of military power becomes necessary if one wants to keep under control the international system, i.e. the liberal capitalist order. The recent moves by President Trump, contradicting several of his statements during the presidential campaign, i.e. the increasing investments in the development of new weaponry, the will to maintain and even develop US military presence abroad, and the aggressive moves (verbal and military) against those who are considered to contest the leading role of the US, show that the US are determined to continue to use its military force, either as a threat or as an actual use, to realize its national interests. However, US military intervention since World War II have manifested the increasing incapacity of the US army to win a conventional war. Considering these events, to which one can add the emergence of new powers (global as China, and regional as Iran, Turkey, and Arabia) and the re-emergence of old powers such as Russia, one can understand why and how US power is declining all over the world, and why it tries to stop its decline.

(...)

It is in this context, that is well-known by Chinese leaders, that China had developed its strategy. China had to take into consideration its gap with the US military, and thus it had to conceive a global strategy different from the one the US has developed since the XIX century, i.e. the use of military force to realize the Jeffersonian expansion (e.g. the Indian War, the wars against Spain, Mexico, and the Philippines). Following its traditional strategy, China invested first in the domain where it had greater possibilities to rapidly achieving world-class results. Not being in a position to rapidly catch up with the US military, and being keen on recovering its world power status, China developed its economic resources more rapidly than its military weaponry. As we have seen in Chapter 5, when these resources were sufficiently developed and already deployed in the outside world, China defined and started to implement its global grand strategy, thereby ‘encircling the world’, in the words of a *Financial Times*’ article: ‘China encircles the world with One Belt One Road strategy.’² Before I comment on the difficulties that China may encounter to fully realize this grand strategy, let me stress one of the elements of this culture that are certainly an asset when China projects its power abroad. Chinese political culture is much less theoretical or ideological than the Western one. Our problem, when we ‘go out’ to the rest of the world, is that we want to impose our ways of organizing society, polity and economy. This was still our way of acting abroad after the end of the colonial era. We (especially, but not only the US) still provided aid and investments to developing countries, under the condition that they adopt the reforms we wanted them to implement, i.e. privatizations, deregulation and opening of their economy to our investments. China does not have this attitude. And this constitutes a decisive advantage for China’s investors.

Nevertheless, the way China has chosen to reclaim its world power status is not without problems. In this book, as well as elsewhere, I have stressed the strategical choice made by China, first by Mao with the *Great Leap Forward* and then by Deng with market reforms, with the aim to recover world power status as soon as possible.³ These strategies have been quite often inspired by Western models and implemented in China, even if in doing

² Tom Hancock, ‘Silk Road. China encircles the world with One Belt, One Road strategy’, *Financial Times*, 4 May 2017, <https://www.ft.com/content/0714074a-0334-11e7-aa5b-6bb07f5c8e12>, accessed 22 July 2017.

³ Urio, Paolo, *Reconciling State, Market, and Society in China. The Long March towards Prosperity*, London and New York, Routledge, 2010, pp., 45-54, 68-76.

so the Party-State has taken into consideration the Chinese local characteristics. However, several characteristics of Chinese culture, especially within its political culture, may constitute serious problems when implementing foreign models. First, the goal of restoring China's power as soon as possible may lead to grandiose endeavours that are not necessarily adapted to the goal of recovering world power status as soon as possible, such as the *Great Leap forward*, and, paradoxically, the adoption of market mechanisms and the neo-liberal Western slogan 'you must first create wealth before you can distribute it'. This slogan has been at the core of the debate over the 'Chongqing and the Guangdong models' that apparently ended with the victory of the latter.⁴ Second, the propensity of the Party to control everything, has the consequence of interfering into the management of the legal norms and of introducing Party organizations within practically every organization, public and private. Add to this the cult of secrecy and you will understand that these cultural traits are not favourable to the development of a sound market economy. Critics will say that in any case China is not a market economy, as the Party-State keeps under control the economic development. Of course, many improvements have been made to diminish these negative cultural traits.

However, there is a cultural trait that may constitute still today a serious obstacle to the economic and social development of China, and may moreover jeopardize the realization of the traditional goals of unity, stability and harmony.⁵ Paradoxically, this major obstacle derives from one of China's cultural characteristics that is often presented, even by me, as an advantage: the non-separation between theory and practice. However, this may lead, and it has already led, to negative consequences when reforms are introduced without an in-depth theoretical analysis before implementation.

Recently China has imported, most of the time from the US, a variety of technologies that look quite promising at first sight, but that have been criticised by serious experts as they may produce, and in many cases already have produced negative consequences on public health and environment: oil and gas fracking, genetically modified organisms (GMO),

⁴ See on this point the analysis of the Chinese neo-Marxist Li Minqi, 'The rise of the working class and the future of the Chinese revolution', *Monthly Review*, June 2011, available on <http://monthlyreview.org>, accessed 15 July 2011, and *China and the 21st Century Crisis*, London, Pluto Press, 2016., especially pp. 32-41.

⁵ *Ibidem*, pp. 175-183.

pesticides and herbicides, Western fast food, Western medical drugs and vaccines, and nuclear energy.⁶ (...) It is not clear whether these technologies have been subjected to in-depth scientific analysis in China.

Of course, major mistakes have been corrected, 20 to 30 years after implementation. But the most problematic import from the West is certainly the ‘free market economy’. We have seen in Chapter 5 that this policy led to massive unemployment and new forms of poverty that lasted two decades. That this would be the outcome of the introduction of market mechanisms could have been easily forecast by sound socio-economic theory and by available empirical data on the development path followed by Western countries.⁷ Certainly, China persists in presenting itself as a socialist country, based upon the rule of the CPC and on the ‘socialist market economy’ (chapter 2, section 5, especially pp. 74-76). Whether China evolves towards capitalism or keeps its socialist market economy depends on the outcome of the competition between the US and China that will finally shape the structure and rules of the new international order. Given the powerful attractiveness (not so much of liberal democracy) but of capitalism (very well summarized by Fernand Braudel in a famous statement already quoted in chapter 2, p. 71), it is possible that China, in the intent to realize its dream of becoming again a great power as soon as possible, will undertake measures that will inevitably integrate it into the capitalist system that the West made, where the US is, for the time being, the most important actor. If this occurs, then China will develop a number of multinational companies (and it has already started to do so) that will compete with the other multinationals in the global capitalist economy. As I have already written elsewhere: ‘In this case, it is expected that the major actors of international finance and the multinationals will dominate the world. Certainly, amongst them, there will be many having registered offices in China. But will they really be Chinese? Or, according to a saying of folk wisdom that money has no smell, and we can add, nor nationality either, will they not become new actors sharing the same interests with the Western multinationals, that is to say, the interests of those who

⁶ Just let me quote the last example: the acquisition by the Chinese giant ChemChina of Swiss seeds and pesticides group Syngenta, for \$43 billion. In most European countries GMO are currently either banned or are on a temporary ban, awaiting for additional scientific analyses. The same is true for several types of pesticides.

⁷ Urio, Paolo, *China, the West and the Myth of New Public Management. Neoliberalism and its Discontents*, London and New York, Routledge, 2012, and Timothy Smeeding, ‘*Globalization, Inequality and the Rich Countries of the G-20: Evidence from the Luxembourg Income Study (LIS)*’, July 2002 (available on the LIS website: www.LIS.org), ‘*Poor People in Rich Nations: The United States in Comparative Perspective*’, 2006 (available on Smeeding’s website, University of Syracuse, USA: www.cpr.maxwell.syr.edu/faculty/smeeding/).

are part of the ‘top 1%’ denounced by Joseph Stiglitz?⁸ But then what will happen to the Chinese dream of a harmonious society where prosperity would be equitably shared?’⁹

If China wants to avoid undertaking a long march towards capitalism, it would be well advised to mistrust not only the external pressures exerted by the US and by the international trade and investment agreements such as the TPP and the TTIP, but also, and perhaps especially, by the internal forces. I have already mentioned the presence of the new ‘Red Capitalists’ inside China’s economy. Certainly, as I have pointed out, up till now the Party has kept them under control. However, nothing can categorically exclude that one day they will develop interests that the Party will not be able to satisfy any more. Moreover, they might find some allies among the executives of semi-private/semi-public enterprises and even of large state enterprises, as well as liberal intellectuals active within universities and think tanks, state-run, academic and private.¹⁰

These actors can then try to force a regime change in China. But that is not all. In order to do so, the ‘Red Capitalists’ may be able to find allies not only among the actors mentioned above, but also within the Party’s elite, or the immediate entourage of its leaders. Indeed, many officials have fulfilled Deng Xiaoping’s encouragement ‘to become rich is glorious’ well above his more optimistic expectations, and this ‘achievement’ has been made public knowledge in recent years. This rapid enrichment is clearly the result of positions of power that allow these persons to appropriate assets belonging to the State and thus to the people. The fight against corruption initiated by Xi Jinping right from the beginning of his first term, is certainly the most aggressive policy undertaken so far by the Party-State in this domain. Should it be unsuccessful, the reputation and capacity of the Party to continue to lead China towards a harmonious society, where wealth is equitably distributed among all Chinese people, will be greatly jeopardized, and the end game would be very likely the full integration of China within the international capitalist order.

⁸ Joseph E. Stiglitz, *The Price of Inequality: How Today’s Divided Society Endangers Our Future*, New York, Penguin, 2012.

⁹ Paolo Urio, ‘The Emergence of NGOs in China and the Changing Role of the Party-State: Assessment and Future Prospects’, *The China Nonprofit Review*, No 8, 2016, p. 204.

¹⁰ On the opinions of Chinese intellectuals see Urio, *China, the West*, op. cit., 35-47.

The analysis of US and China foreign policies confirms the theoretical approach presented in chapters 1 and 2, and shows the fundamental differences between the two countries: the American based predominantly on action, the Chinese on the silent transformations and a mix of action and non-action.¹¹ Action is local, whereas the transformation is global, progressive, in the long time, silent, and therefore difficult to identify. ‘The silent transformation does not use force or thwart anything; it does not fight; but makes its way, infiltrates, spreads, branches out and becomes pervasive – “spread like a stain”. It integrates and disintegrates (...) This is also why it is silent; because it does not give rise to any resistance to it ...’¹²

‘China is not projecting any plan for the future, in particular it has no imperial project, but it exploits at its best, day after day, the “situation potential”, by making the best out of the favourable factors (in all domains: economic, political and international) for the purpose of strengthening its power and its rank amongst nations.’¹³

It is by leaving the course of ‘things’ - the occurrence of events - to develop, without interfering, that one can be most efficient, more precisely, by combining ‘the acting’ upon the elements one can change to its advantage, and ‘the non-acting’ when one has not a reasonable possibility to change the situation to one’s advantage. To act efficiently, one must wait for the favorable occasion, the favourable moment; and it is here that it is possible and necessary to act. But this does not mean that the strategist must wait passively for the opportunity to occur. On the contrary, by manipulating reality ‘upstream of the silent transformations’, the Chinese strategist induces the opportunity, by a variety of covert actions. And this is the most efficient strategy. This is clearly linked to the concept of manipulation, in the sense of transforming the environment with the purpose of facilitating the advent of the favourable and intended

¹¹ Hereafter I summarize the quotations of chapter 1, pp. 24-31.

¹² François Jullien, *The Silent Transformations*, London, Seagull, pp 66-67.

¹³ Jullien, François, ‘Postface’, in André Chieng, *La pratique de la Chine, en compagnie de François Jullien*, Paris, Grasset, 2006, p. 310, my free translation from the French.

outcome. The Chinese strategist does not wait for the ‘chance’ (in the Western sense) to appear; it induces it by working as far as possible ‘upstream’.¹⁴

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The decline of the US has come after two centuries of a foreign policy practically unchanged, dominated by exceptionalism, manifest destiny, the end of history, and expansion without limits. Then came an un-conventional president who put forward several ideas contrary to the interests of the establishment, that had followed the traditional foreign policy set since the time of the Founding Fathers. Certainly, Trump can be criticized on several counts. But he cannot be held responsible for the decline of the US. Moreover, he will be probably embedded in the flow of the history of the US foreign policy and forced to comply with the interests of the establishment. Here again, Braudel gives the theoretical explanation based upon his in-depth analysis of the historical process: ‘the individual actor is imbedded into a history, which can be a very old one, (...) in short into a civilization. So, one may have the illusion of having some kind of responsibilities, and therefore of freedoms, and to be able to choose among several possibilities. But in fact, one’s freedom is much more limited, and one is not completely the master of one’s destiny, because, in reality, he is submerged by the flow of history through the slow time (*‘la marche lente’*). If the profound movements [Julien’s silent transformations] are in your favour, you will be served, independently of your intelligence, your merits, your thoughts’.¹⁵

The findings in this book suggest that the structure of the new international order will be multi-polar, with China, the US, Russia and the EU as global leaders, and several regional powers being able to safeguard their interests either by counting on their own power resources or, more likely, by aligning with one of the global players. And we cannot forget that global players may build formal or informal alliances, as it is already the case between China and

¹⁴ Chieng, André, *La pratique de la Chine, en compagnie de François Jullien*, Paris, Grasset, 2006, pp. 181-82, 196, 210, 214, 218-223, 225.

¹⁵ Braudel, Fernand, ‘Fernand Braudel et les différents temps de l’histoire’, interview published by *Jalons*, ORTF (Collection: Signes des temps) 30 October 1972, pp 4-5, my free translation from the French.

Russia and between the US and Europe. Nevertheless, recent events such as the Brexit and the election of Donald Trump, may lead Europe towards a foreign policy more independent from the US and more open to cooperate with Russia and China, as recent moves by European leaders, especially France and Germany, seem to indicate.

Finally, in this book I have mainly analysed the relations between two states, US and China. But, as I have shown by discussing the trade and investment treaties (TPP and TTIP), multinational companies have developed a strategy of their own, even if they rely on their governments for further opening up the global economy, with the final aim to impose their will on the states. Now, state's governments (both liberal democracies and authoritarian states) are the place where citizens can still today have their say in public affairs, even with different means. On the contrary, in bureaucracies of international organizations and international treaties, their voice is practically inaudible. What will be China's role regarding this important question? Will China play its role acting as a capitalist country fully integrated into the capitalist world system favouring the interests of multinational corporations (as Li Minqi considers to be already the case today) or as a socialist country with Chinese characteristics (as sustained by Hu Angang) favouring the harmonious and equitable development of every country and every citizen, and capable of changing the rules of the international order? Whatever the outcome, it is certain is that already today China is acting within a new international order that, thanks to its rise, has been transformed into a multi-polar system, different from the uni-polar order dominated until recently by the US. In other words, one can say: China's rise has put an end to the 'world America made'.