China Through the Lens of Modernity
Barry Buzan and George Lawson

Barry Buzan is a Fellow of the British Academy, Emeritus Professor in the LSE Department of International Relations and a Senior Fellow at LSE IDEAS. He is honorary professor at Copenhagen, Jilin, and China Foreign Affairs Universities, and at the University of International Relations (Beijing). Among his articles is a trilogy of pieces in the Chinese Journal of International Politics exploring the possibilities for China’s ‘peaceful rise’. His most recent book on China (with Evelyn Goh) is: Rethinking Sino-Japanese Alienation: History Problems and Historical Opportunities, Cambridge University Press, 2020.

George Lawson is Professor of International Relations at the Australian National University (ANU), having previously taught at LSE and Goldsmiths. He works on the relationship between history and theory, with a particular interest in historical sociology and revolutions. On the latter, he has published Anatomies of Revolution (Cambridge University Press, 2019) and Negotiated Revolutions (Routledge, 2005). On the former, he is the co-editor, with Julian Go, of Global Historical Sociology (Cambridge University Press, 2017). Lawson also works on processes of continuity and change in world politics. On this subject, he has published (with Barry Buzan), The Global Transformation (Cambridge University Press, 2015) and (co-edited with Chris Armbruster and Michael Cox), The Global 1989 (Cambridge University Press, 2010).

Abstract

This paper examines China’s encounter with modernity from the 19th century to the present day. It builds on the historical narrative of modernity developed in Buzan and Lawson (2015), and two theoretical perspectives: uneven and combined development, and differentiation theory. The paper opens with a short history of modernity, establishing that it is not a static phenomenon, but a continuously unfolding process. It then explores five periods of China’s encounter with modernity: imperial decline and resistance to modernization; civil war and Japanese invasion; Mao’s radical communist project; Deng’s market socialism; and Xi’s attempt to synthesise Confucius, Mao and Deng. It explores both how China fits into the general trajectory of modernity, and how it has evolved from rejection of it to constructing its own distinctive version of ‘modernity with Chinese characteristics’. The paper ends by reflecting on what issues remain within China’s version of modernity, and how it fits, and doesn’t fit with other forms of modernity already established within global international society.

Keywords: China, development, differentiation, market socialism, modernity, uneven and combined development
1. Introduction

In earlier work we set out the history of the last two centuries as a dual encounter of the non-Western world with both Western power, and the ideational challenges of modernity.¹ Much has been made of China’s weakness in its encounter with Western and then Japanese power during the 19th and early 20th centuries, and of its regaining great power status since 1950, dramatically so during the 21st century. This paper explores China’s other encounter, that with the multiple challenges presented by modernity.² Since modernity unleashes vast new resources for power – what we called a new *mode of power* – these two encounters are historically closely entangled. But they are analytically distinct, and what follows focuses on modernity, taking the well-known power distribution equations of the last two centuries mainly as given.

We start from the understanding of modernity set out in our book, which sees it as a historically contingent concatenation of social forces, some with roots going back centuries. During the 19th century, this complex jumble of myriad events and processes coalesced in a small group of polities (initially Western, later including Japan) from where both its effect (a revolutionary configuration in the mode of power) and its challenge (how other societies responded to this configuration) became the principal dynamic through which international relations was conceived and practiced. This 19th century crystallisation of modernity consisted of multiple revolutions in technology, knowledge, politics, law, economics, society and psychology which we boiled down to four basic, but interlinked, types of change:

1. Agrarian political economies based on land as wealth, and with cycles of prosperity and famine based on harvests, were superseded by industrial political economies based on fossil fuels and capitalist accumulation, and featuring boom and bust trade and financial cycles. Rapid and frequent technological transformations replaced slow and intermittent ones, and the market was extended to global scale with vastly greater depth and intensity than under merchant capitalism. This new structure for relations of production, exchange and value generated big changes in class structure, with the aristocracy losing influence, the peasantry shrinking, and both the bourgeoisie/middle-class and the proletariat expanding and diversifying, as well as gaining in influence.

2. Four *ideologies of progress* rose to prominence during the 19th century: liberalism, nationalism, socialism and ‘scientific’ racism. These ideologies

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² We would like to thank Gordon Barrass, Jiangli Wang, Feng Zhang, and Yongjin Zhang for comments on earlier drafts, though we alone are responsible for the argument made here.
challenged both dynasticism and religion, largely displacing the former and transforming the latter. They generated new entities, actors and institutions (e.g. civil society, limited companies, intergovernmental organizations) and either reconstituted old ones (e.g. the state), or undermined them (e.g. dynasticism). Expectations of historical progress underpinned the emergence of industrial societies. The new ideologies challenged personalized, composite polities and reshaped the territorial sovereign state by vesting sovereignty in the people and linking territory to the nation.

3. **Rational states** formed, in which increasing administrative and infrastructural capacity extended state power both at home and abroad. Rational states were legitimized by the new ideologies of progress. They both caged their societies within nation-states, and extended power outwards, via imperialism and related processes, into a core-periphery colonial international society.

4. This tripartite configuration of industrialization, ideologies of progress, and rational state-building changed the global configuration of power in two foundational ways. First, it opened a massive and durable power gap between those societies that successfully adopted the revolutions of modernity and those that did not or could not. This gap generated a core-periphery global order defined by notions of ‘development’ vs ‘underdevelopment’, ‘advanced’ vs ‘backward’, ‘First World’ vs ‘Third World’, etc. Those countries on the wrong side of the power gap, such as China, were left with the pressing problem of how to regenerate their wealth and power so as to restore their status.³ The small group of countries at the leading edge of modernity added insult to injury by using modernity to define a ‘standard of civilization’, one whose contours changed continually, and which they used to justify imperial expansion. Second, modernity destabilized great power relations by exposing the balance of power to the pressures of rapid technological and social change, with the consequence of making military balancing dynamics much more volatile.

We add to this historical understanding of modernity two theoretical perspectives. The first comes from Sociology and is the classical view, most closely associated with Emile Durkheim, that modernity can best be understood as a shift in the balance of social differentiation from **stratificatory** to **functional**. Stratificatory differentiation is defined by the dominance of rank or status, and is typical of agrarian, dynastic societies. Functional differentiation is defined by the coherence of particular types of activity and their differentiation from other types of activity. It is akin to the division of labour. Its marker is the increasing division of society into authoritative legal, political, military, economic, scientific, religious and suchlike subsystems or sectors of activity, often with distinctive

institutions and actors. Modernity in the form of functional differentiation ‘quite radically changes the previously hierarchical character of pre-modern stratified society’. Although stratification in particular, and hierarchy in general, remain central to how social orders are organised, the signature feature of modernity is a significant rise in the relative importance of functional differentiation as a means of cohering complex societies.

The second theoretical perspective comes from Historical Sociology, and is the framework for understanding modernity provided by Rosenberg’s work on uneven and combined development (UCD). In terms of explaining the global historical dynamics of modernity, UCD stands as an alternative to Waltz. Both Waltz and Rosenberg see ‘socialization and competition’ as consequences of ‘combination’ (units unavoidably interacting with each other within the same system). But they disagree deeply about their effects: Waltz favours homogenization into ‘like units’, while Rosenberg stresses that the particular timing and circumstances of socialization and competition necessarily produce varied outcomes. The extreme conditions created by macro-historical transformations such as the one that took place during the long 19th century expose the logic of the latter with great clarity. Major transformations of this kind have a distinct point or points of origin in which a particular configuration emerges and is sustained. This configuration is produced and reproduced through inter-societal interactions across time and space, generating diverse outcomes. These interactions can be coercive, emulative and/or reactive, and each social order that encounters the new configuration has its own way of adapting to it. Some social orders resist the new configuration. Others develop indigenous versions of it. ‘Late’ developers are not carbon copies of the original adopters, but develop their own distinctive characteristics.

Interactions between different social orders therefore produce not Waltzian convergence, but (sometimes unstable) amalgams of new and old. Modernity sometimes displaces, but just as often reconfigures, ideas, rituals and symbols associated with ‘tradition’: monarchies, religions, class hierarchies, and

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suchlike. Each society finds its own blend of new and old: the British version of constitutional monarchy, the modern Japanese emperor, the contemporary reworking of Confucianism in China. During the 19th century, German, American and Japanese industrializations were not replicas of British development, but distinct amalgams. Even as they borrowed both from the British experience and from each other, they adapted modernity to their own contexts and traditions, often trying to use the modern state to accelerate the process so as to ‘catch-up’ with the leading edge. Likewise, Soviet and, more recently, Chinese developments also maintained their own characteristics, combining new technologies and productive forces alongside inherited social formations. As ideas spread, they are adapted to local cultures and conditions. Each society has to find its own way of coming to terms with the multiple challenges presented by modernity, and each encounter is shaped by local histories, cultures and institutional contexts, as well as by the timing and circumstances of its encounter. There is both convergence (most obviously in the common assuming of aspects of functional differentiation, nationalism, and forms of rational statehood); and divergence (ideological, cultural, and organizational, and understanding of class structure).

Through the analytic lens of UCD, it becomes clear that development is multilinear rather than linear; proceeds in fits and starts rather than through smooth gradations; and contains significant variations in terms of outcomes. One indicator of the ways in which polities adapted in diverse ways to the 19th century global transformation is the variety of ideologies that have emerged to define different assemblages of economy, politics and culture in the modern world: liberalism, social democracy, conservatism, socialism, market socialism, communism, fascism, patrimonialism, and more. Another indicator is the literature on varieties of capitalism. A third is the idea of ‘multiple

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modernities’. UCD underlines how and why the deep pluralist world order now emerging from the ongoing spread and deepening of modernity, will be as much, or more, culturally, economically and politically differentiated, than homogenized. The perspective of UCD resolves the long-standing, and politically charged, equation of modernization with Westernization, which assumed that adopting modernity must mean becoming a clone of the Western model. It doesn’t.

Our focus in this paper is on how the logic of UCD unfolded in China. How has China taken on board and adapted the revolutions of modernity? In what ways is China now similar to other modern states, and in what ways different? How do these differences affect China’s position in global international society, and how it relates to other powers? The next section gives a brief history of modernity that sets the backdrop for the analysis to follow. Section 3 outlines China’s encounter with modernity through four historical phases. Section 4 looks at the particular version of modernity – modernity with Chinese characteristics – that is now crystallizing in China under Xi Jinping. The final Concluding section considers how Chinese modernity fits, and doesn’t fit, with the diverse set of old and new modernities with which it has to relate in the rest of the world.

2. A Short History of Modernity

Although modernity has roots that stretch far back in time, and across the planet, it first crystallized in durable form in Britain during the late 18th and early 19th centuries. Landes’ argues that Britain was the only case of sustained ‘self-generated' industrial modernity, and that all other cases are necessarily versions of ‘emulative response’. In practice, British industrialization was the product of a combination of international and domestic processes. The crucial technological advance was the capture of inanimate sources of energy, particularly the advent of steam power, a process that enabled the biggest increase in the availability of power sources for several millennia. Britain’s


lead in this field presented a major advantage – by 1850, 18 million Britons used as much fuel energy as 300 million inhabitants of Qing China. At the same time, the British government ensured that British products undercut foreign goods and charged prohibitive tariffs on textiles from abroad. By 1850, Lancashire was the centre of a global textile industry, reversing centuries of Asian pre-eminence in this area.

From the late 19th century, Britain's rising wealth and power was both an opportunity for, and a threat to, other powers. They faced intense economic and military pressure to copy the British model, but found it extremely difficult to adapt its blend of social, economic and political developments to their own contexts. Even among the small group of successful early responders (France, Germany, the US, Italy, Russia, Japan), the dramatic changes towards modernity that had evolved over centuries in Britain 'took over half a century to be initiated and copied elsewhere'. Britain's consolidation of modernity opened up the distinction between 'developed' and 'developing' societies that still resonates strongly in contemporary global international society. The ideas, institutions and products of modernity flowed out of Britain on a global scale, carried by a combination of coercion and commerce. Some places adapted to this challenge with varying degrees of success. Some resisted. Some collapsed. Many were subordinated by the huge power gap, what Pomeranz calls 'the great divergence', which opened up between the handful of successful early modernizers and other polities.

In the UCD perspective, Britain was therefore the originating node from which the revolutions of modernity radiated outward. Modernity not only impacted throughout the whole of global international society, but also evolved as it spread. Britain's version of modernity was an unusual crystallization of a range of dynamics. Its industrial component was built around coal, iron and textiles. Britain also supported sophisticated markets in both finance and trade: Adam Smith recognized this wider social development, even as he mistook it for a universal feature of human nature rather than as a peculiar product of British historical development. It required a dramatic change in mind-set to make the jump from the relative stasis and certainty of deeply stratified agrarian

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16 Kenneth Pomeranz, The Great Divergence.
societies, to the permanent change, turbulence and uncertainty of more functionally differentiated capitalist societies.\textsuperscript{18} Political revolutions in the Netherlands and Britain during the 17\textsuperscript{th} century had weakened the monarchical, aristocratic social and political order, and given more voice, influence and respect to merchants. Increasingly, liberalism was the dominant ordering idea in Britain’s model of what it meant to be modern, though this liberalism was quite different from what we understand today by that term. Britain’s 19\textsuperscript{th} century version of liberalism privileged the gold standard, free trade, property, and a version of meritocracy. It had little-to-no interest in full franchise democracy or human rights, and took a laissez-faire attitude towards employment and welfare, leaving workers (who did not have the vote) to pay the adjustment costs of defending exchange rates and rectifying trade deficits.\textsuperscript{19}

From the second half of the 19\textsuperscript{th} century up to the First World War, most of the major powers in Europe, plus the US and Japan, embarked with varying degrees of success on their own pathways to modernity. The US and Germany soon outpaced Britain. This small group of modernizing states, became the global core, and none would be fully successful in following them until the Asian tigers in the 1970s, and China in the 1990s. This initial group left behind former great powers such as China, India and the Ottoman Empire, that either did not, or could not, respond effectively to the challenges of modernity. As modernity crystalized within the first group, its character evolved dramatically. Innovations and discoveries in science and technology moved the industrial revolution beyond coal, iron and textiles, into oil, steel, electricity, chemicals, internal combustion engines, and eventually nuclear power, renewable energy, and the digital revolution. Those that followed the British experience could not copy Britain’s particular version of modern power. They had to shape themselves around different core technologies and different social legacies. Catch-up responses generally contained a large element of state management and planning, and a hope for accelerated development. Japan and Germany pioneered the developmental state in which government played a central role in cultivating modernity, a path followed by the Asian Tigers and, via the strictures of socialist planning, the Soviet Union and China. Britain and the US pioneered a liberal capitalist form of social, economic and political order. Still other framings for modernity evolved: social democracy, market socialism, socialism, communism, fascism. All of these states were also driven by the need to cultivate nationalism and popular sovereignty, partly as a way of overcoming


the class differences exacerbated by capitalist production, and partly in response to the effectiveness of nationalist mobilization in war first demonstrated by revolutionary France. For many liberals, nationalism served as the *demos* of authentic political community, while for authoritarians it defined the people to be mobilized, whether for war or development. In both cases, these new framings represented forms of mass society and popular sovereignty.

Particularly after the First World War, all varieties of modernity had to confront the social problem first exposed by the British model. This was that classical economic liberalism privileged capital and pushed most of the adjustment costs elsewhere, most notably onto workers. The gold standard fixed exchange rates, making in effect a kind of global currency union. Free trade could and did produce deficits that threatened the ability of governments to maintain the fixed exchange rate for the currency. Defending the exchange rate by rectifying trade deficits so as to stay within the gold standard often led to recession and sometimes severe levels of unemployment. As long as labour was not well organized, and the franchise was restricted to propertied men, the gold standard and free trade were politically manageable. But after the First World War, which mobilized mass publics on a vast scale, and in reaction to the vast inequalities imposed on workers by the commodification of labour, trade unions and socialist parties became stronger and the franchise widened.\(^\text{20}\) Liberal capitalism was also challenged by an alternative modernity in the Soviet Union. The 20th century challenge for liberalism was to find a way of maintaining the benefits of stable exchange rates and open trade, while at the same time providing secure employment and welfare. The challenge for more authoritarian ideologies on the left and right was how to sustain enough prosperity to support welfare and employment goals, while insulating themselves against the vagaries of open trade and international capital. Competing framings for modernity along these lines set up the wars for the future of modernity that dominated most of the 20th century.  

Although nationalism, socialism, communism, and indeed ‘scientific racism’ all emerged as ideologies of progress during the 19th century, ideological competition amongst different versions of modernity did not reach the level of great power competition until the First World War. The war did not start because of ideological differences, but it magnified those differences through great power competition and revolution. The system of dynastic monarchies, many of them absolutist, that had dominated European politics for centuries was pushed to the margins as a viable political framing for modernity. Socialism was embedded within a major state following the Bolshevik Revolution in Russia in 1917, and fascism (aka ‘national socialism’) took power

in Italy, Japan and Germany during the interwar years. Chiang Kai-shek’s regime in China was quite close to fascism, but was forced by Japan to ally with the West and the Soviet Union. The Second World War saw the defeat of fascism in all of its great power seats, and the victory of democratic capitalism (represented by Britain and the US, and imposed on Italy, Germany and Japan) and communism (represented by the Soviet Union and, from the end of the civil war in 1949, also China, and imposed on Eastern Europe). The threat from fascism’s aggressive and racist hyper-nationalism was sufficiently grave to enable a temporary alliance between liberal democracies and the Soviet Union and China. Their victory delegitimised both racism and colonialism as institutions of global international society. The Second World War thus narrowed the ideological competition over the future of modernity to two main contenders – socialism (Soviet Union and China) and liberal democracy (US and the West) – albeit with social democracy operating in much of Western Europe and Japan, and the constrained capitalism of the Bretton Woods system, as a kind of middle ground. With Deng Xiaoping’s ‘reform and opening up’ in China from the late 1970s, and the implosion of the Soviet Union in the early 1990s, it became clear that capitalism, but not liberal democracy, had won the Cold War.

What ensued was in line with the expectations of UCD: a variety of capitalsims in different political and cultural packages ranging from liberal democratic (e.g. US), through social democratic (e.g. Sweden, Germany, Japan), and competitive authoritarian (e.g. Russia), to state bureaucratic (e.g. China, Vietnam, Saudi Arabia). After nearly a century in which the first-round modernizers had dominated global international society, new blends of modernity emerged, most notably the Asian Tigers and China, but also India and any number of smaller states, from Qatar to Ireland. This unexpected outcome went some way towards narrowing the ideological differences that had fuelled much of the 20th century’s conflict: all, or nearly all, states were capitalist now. Although in one sense this outcome represented a victory for the West, it also posed a severe challenge to liberal democracy. The economic success of some authoritarian states, most notably China, raised the question of whether the liberal package of individualism, democracy and capitalism that emerged during the 20th century could be durably disaggregated. China’s project of ‘market socialism’, or authoritarian state capitalism, suggested that it could. If China could succeed, then the classical liberal teleology would be broken. This challenge was accompanied by a crisis in the liberal democratic

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world generated by the growing inequality and instability of the unfettered neoliberal financial capitalism that emerged in the 1970s and became dominant in the decades that followed. This spawned anti-capitalist movements, which gained ground, particularly after the 2007-8 financial meltdown, raising questions about whether capitalism was compatible with, or hostile to, democracy. In some ways, the neoliberal ascendancy regenerated the 19th century tensions exposed during the interwar years, between free trade and deregulated finance on the one hand, and employment, welfare, and social equality, on the other. The votes for Brexit and Trump in 2016, as well as the rise of illiberal democracy in many parts of Europe, signalled a serious questioning of liberalism in its heartlands, and the abdication of the Anglosphere from its longstanding leading role in global international society.

This outcome of convergence on capitalism, but divergence on politics, was an unexpected resolution of the struggles over modernity of the 20th century in which none of the contenders to own the future of modernity came out on top. It has been accompanied by the ongoing rapid evolution of technology that is a hallmark of modernity. In part, new technologies have been fundamental to meeting the promise of progress, especially material progress, which has been common to all varieties of modernity. In part, however, these new technologies have also raised threats to the entire operating system of modernity. Initially, this aspect centred on amplified threats posed by new technologies of destruction, which first emerged in the Great War of 1914-18, and seemed to threaten the foundations of Western civilization. It continued more strongly after 1945 with the extinction threat posed to humankind by all-out nuclear war. More recently, the concern over existential threats to both modernity and humankind has centred on technologies of production. One fear is that the rapidly unfolding revolution in digital technology (the internet, artificial intelligence) is both amplifying capitalism’s tendencies towards alienation and inequality, and undermining the condition of privacy necessary for democracy (this latter, of course, is not seen by authoritarians as a problem; indeed, it is often seen as a prerequisite of social order). Another, even bigger, fear is that capitalism’s rapacious accumulation is overwhelming both the biosphere and the planetary environment in ways that threaten the sustainability of human civilization.

In one sense humankind is still in the early stages of the great experiment of modernity – after all, it has only been two centuries or so since its crystallization. In another sense, we have come a remarkably long way in those two centuries, with a steep learning curve that has involved massive transformations in technology, politics, economics and society. Those changes show few signs of slowing down. In a third sense, the frenzied unfolding of modernity is generating existential threats to humankind that might bring both the experiment of modernity, and our species, to an end.
3. China’s Encounter with Modernity

How does China fit into this historical narrative? There is, of course, a well-documented prequel in which China contributed many inputs to the crystallisation of modernity in 19th century Britain. These included innovations in meritocratic state bureaucracy, early elements of industrialization and use of fossil fuels, and many technological contributions such as paper, gunpowder and the compass. Here, though, we focus not on China’s early contributions to modernity, but on its reactions to the multiple challenges of modernity. Its misfortune, shared by India, the other major economic power of the premodern world, was to encounter both modernity, and Western and Japanese power, when China was in a period of weakness and political disorder at the end of a dynastic cycle. The rapidity of the change in the power balance is indicated by the ease with which the Qing dynasty dismissed Britain’s McCartney diplomatic mission in 1793-4, and the ease with which, less than half a century later, Britain defeated the Qing in 1839-42 using the local colonial forces of the East India company.

China’s encounter with modernity has gone through four reasonably distinct phases: imperial decline and resistance to modernization; civil war and Japanese invasion; Mao’s radical communist modernizing mission; and Deng’s ‘market socialism’. Xi’s ‘China dream’ opens a fifth phase that we consider in section 4. Our core argument is that, up to 1911, resistance to modernization was stronger than support for it, meaning that most reforms were superficial. By 1911, supporters of modernization had the upper hand, but the country sank into a protracted and destructive civil war between two versions of modernity that dominated its domestic politics up to 1949, and a major invasion by Japan between 1931 and 1945. These two periods cover China’s ‘century of humiliation’. From 1949 to the late 1970s, China underwent Mao’s radical attempt to accelerate development using a communist model of modernity. The turbulence and economic shortcomings of this attempt paved the way for Deng’s experiment with market socialism between 1978 and 2012. This combined Leninist central political control by the Chinese Communist Party (CCP) with a substantial opening up to the market domestically in China, as well as the connection of China to global capitalist circuits. The still unfolding fifth period under Xi reunites the seemingly contradictory paths to modernity.

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24 Kenneth Pomeranz, The Great Divergence.
under Mao and Deng, and tries to stabilize an authoritarian version of modernity with Chinese characteristics.

**Imperial Decline and Failure to Modernize**

During the period between the first Opium War and the fall of the Qing dynasty, China was fully exposed both to Western and Japanese power fuelled by modernity, and to the multiple revolutions of modernity themselves. China was too weak to resist the intrusions, assaults and demands of the Western powers and Japan, and was saved to some extent by the fact that Western powers (Russia and Japan less so) found it easier to sustain a weak Chinese state that they could exploit economically rather than having the huge cost and difficulty of themselves dividing and governing China.\(^\text{27}\) The Qing dynasty faced a toxic mixture of weak leadership, domestic rebellion (Taiping, Boxers, others), and foreign intervention. Its decadence, and declining administrative control and authority, meant that responding to rebellion required both accepting foreign help (wanted or not), and permitting the decentralization of military power to the provincial level.\(^\text{28}\) The once powerful Qing regime was unable to mobilize nationalism because the Manchu ruling elite feared that such a doctrine would serve mainly to empower the Han majority against them.\(^\text{29}\) There was little development of the middle-class or proletariat other than a few enclaves in the commercial cities linked to world trade.\(^\text{30}\) Like other states facing the challenges of developmental ‘catch-up’, most Chinese industrial projects were backed by state capital. Yet the imperial establishment often hindered or restrained those few officials, such as Li Hongzhang, who understood the severity of the challenge and the desperate need for China to modernise, not least by building railways.\(^\text{31}\)

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Although the empire was weak, Chinese society was robust enough to resist pressures to reform and modernize. Nativists saw modernity as a threat to Chinese culture: ‘In China, reactionism was so strong that it prevented all reform from above, but this caused a revolution to rise up from below’.32 After the First Opium War, for example, Wei Yuan, an early reformer, suffered criticism for attempting to inform China about the West so that it could know better what sort of enemy it was dealing with. China was still locked into cultural conservatism and denial.33 Even after another defeat in the Second Opium War, reformers encountered concerted conservative opposition. Feng Guifen, an advocate of self-strengthening, who promoted the building of Chinese arsenals, and the study of foreign languages, was attacked for being a traitor, and for betraying Chinese culture. The Qing bureaucracy effectively opposed both Western knowledge and the learning of Western languages.34 Thus, while the West was learning all about China, and Japan was learning all about the West, China responded by turning inwards.35

Although there were some reform successes, overall, China’s reforms were uncoordinated, suffered much interference from both the government and conservative social forces, and put too much emphasis on the narrow objective of military modernization.36 The ‘self-strengthening’ movement in China under the Tongzhi Restoration of the 1860s was superficial: unlike the Meiji Restoration it was about preserving China’s culture as much as possible to resist Westernization, rather than reforming it to embrace modernity.37 The most famous motto of the self-strengthening movement at this time was: Zhongxue weiti, xixue weiyong, which translates as “Chinese learning should remain the core, but Western learning should be used for practical use.”38 This implied that Western learning should be given as limited a role as possible – only what was necessary to enable China to restore its wealth and power in a modern world. How to find the right balance between Chinese culture and traditions, and Western ideas and practices, has remained the essential question of China’s encounter with modernity ever since, with arguments ranging across a wide spectrum.39 China’s humiliating defeat by Japan in 1894-

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39 For a detailed account of the arguments about modernity in China since the 19th century, see Orville Schell and John Delury, *Wealth and Power*. 
5 was used to discredit even this limited form of modernization, and the self-strengthening movement, for having failed to protect the country.\textsuperscript{40} The Hundred Days reform of 1898 collapsed in the face of conservative reaction, forcing leading Chinese reformers such as Liang Qichao and Kang Youwei to flee to Japan.\textsuperscript{41}

In China, foreigners are often held to be mainly responsible for China’s humiliation during the 19th century, and many foreign actions were harmful to China: opium imports, the sacking of the Summer Palace in 1860, the large indemnities from the Sino-Japanese war and the Eight Power intervention against the Boxer Rebellion, territorial seizures, and suchlike. But many were arguably helpful to both China’s stability and its attempts to modernize. Western forces helped the Qing against the Taiping rebels. They promoted railway-building often against imperial resistance. They sold advanced weapons to China, helping to develop a modern navy. From 1854, they improved Qing revenues by taking over the running of China’s Imperial Maritime Customs Service.\textsuperscript{42} While China was falling apart and failing to adapt during the 19th century, Japan was successfully carrying out a modernizing mission. Gray argues that Japan and China were initially so similarly placed in relation to Western intervention and modernity, yet experienced such different outcomes, that Western imperialism cannot be seen as the key factor in China’s failure.\textsuperscript{43} Instead, he argues that the period 1861-94 was a window of opportunity for China to modernize, and that the reasons for its failure to do so were to a considerable degree domestic: weak political leadership allied to a general desire not to radically disturb existing social order.

In sum, during this period China made relatively little progress in moving from an agrarian economy and a dynastic polity towards industrial capitalism based on nationalism and popular sovereignty. Aside from a few beleaguered reformers, a few commercial enclaves, and some half-hearted military modernization, it resisted both the ideologies of progress and the introduction of modern forms of technology and organization. It failed either to build a rational state or to close the power gap against the West and Japan. Although limited elements of functional differentiation and modern class structure could be found, China remained predominantly a stratificatory society.

\textit{Civil War and Japanese Invasion}

\textsuperscript{40} Chih-yu Shih, \textit{The Spirit of Chinese Foreign Policy}, 160-64.
\textsuperscript{43} Jack Gray, \textit{Rebellions and Revolutions}, p. vii.
The first phase of China’s encounter with modernity was mainly about the victory of conservative political and societal resistance to it. The second phase was marked by a more open and receptive attitude to modernity, but a failure to achieve radical transformation because of the chaos caused by both a protracted civil war and a major foreign invasion.

After the defeat of the Hundred Days reform in 1898, the domestic tide turned increasingly in favour of the modernizers.\(^4^4\) Significant railway building began. The revolution of 1911, led by Sun Yat-sen, both unleashed the force of Han nationalism in Chinese politics,\(^4^5\) and ended government resistance to modernization. After the First World War, the radical ideas of the May 4\(^\text{th}\) Movement and New Culture Movement were strongly pro-modernization, often seeing Chinese culture not as the core to be defended, but as the problem to be overcome.\(^4^6\) There was also a brief boom in the development of a Chinese middle class, though this was weakened by the civil war, and broken by the Japanese invasion.\(^4^7\) Otherwise, the ending of Qing rule signalled the beginning of a civil war, and China’s descent into warlordism. The civil war was initially a multi-sided affair among competing warlords, but eventually boiled down to an intense two-sided fight between the nationalist Kuomintang Party (KMT) led by Chiang Kai-shek, and the Chinese Communist Party (CCP) led by Mao Zedong. Both parties backed modernization, but they differed sharply about how best to accomplish it: state capitalism linked to the global economy and injected into the existing society for the KMT; autarchic central planning via a social revolution for the CCP.\(^4^8\) The tensions between Chinese culture and Western thinking were central to both projects.

The civil war could be seen as a typical period of turbulence in China between the fall of one dynasty and the rise of the next one.\(^4^9\) It would have occurred without the Japanese invasion, though its outcome might not have been the same. As acknowledged by Mao himself, without Japan’s draining of the strength and legitimacy of the KMT, and the massive disruption of Chinese society caused by its invasion, it is far from clear that the CCP would have won the civil war.\(^5^0\) Winning the civil war took priority for both sides over resisting

\(^{4^5}\) Cho-yun Hsu, *China*, p. 506.
\(^{4^6}\) Orville Schell and John Delury, *Wealth and Power*, chs.5-7.
\(^{4^8}\) Branko Milanovic, *Capitalism Alone*, pp. 75-82.
\(^{4^9}\) Yuri Pines, *The Everlasting Empire*.
the Japanese invasion, with the Japanese being allowed to take Manchuria without much of a fight. Only between 1937 and 1941 did the two sides form a united front against Japan. Once the US weighed in against Japan, both sides were able to return to their fight with each other. Mao’s order was that the CCP should devote 70% of its effort to expanding its sphere of control, 20% to combating the KMT, and 10% to fighting the Japanese. Both the civil war and the resistance to Japan were extremely violent. Although figures are far from certain, research suggests that perhaps 12 million Chinese died during the civil war. The Japanese were responsible for another 14-20 million Chinese dead and many more injured and displaced.

Foreigners again played a mixed role in this period. As well as seizing territory, and killing and brutalizing many millions, the Japanese destroyed a good deal of the material modernization that China had been able to accomplish after 1911. But they also played an early role in China’s military modernization, educated and gave political sanctuary to many Chinese reformers, and made significant contributions to modernization in Manchuria, where they established an industrial economy. The Germans trained Chiang Kai-shek’s best troops. The Soviet Union gave support to both the KMT and the CCP, and encouraged them to unite against Japan, but it also tried to dominate the CCP. The US provided significant logistical and air support to KMT forces against the Japanese invaders.

In sum, during this period China attempted to embrace the revolutions of modernity, but achieved relatively little in the face of domestic conflict and foreign invasion. Its economy and class structure remained largely agrarian with a few modern industrial enclaves. It embraced ideologies of progress, particularly nationalism, but was deeply divided between revolutionary socialist and liberal variants. Because of both the civil war and the Japanese invasion,


52 June Teufel Dreyer, *Middle Kingdom and Empire of the Rising Sun*, pp. 78-9.
China made little coherent progress towards establishing rational statehood. To a degree, the country closed the power gap, but it was still looked down upon by both Japan and the West. The general state of flux and chaos meant that functional differentiation had little chance to develop. By the end of this period, China faced huge problems not only of development and modernization, but also the massive reconstruction required after three decades of heavy warfighting.

*Mao’s Revolutionary Modernization*

China may have been in ruins in 1949, but it was at least politically unified, had a strong sense of nationalism, and a government committed to comprehensive and rapid modernization. Compared to the two previous periods, China’s modernizers were empowered and relatively free of obstacles, whether domestic or foreign. Mao’s government had clear authoritarian models of modernity to pursue: the Soviet combination of central planning and priority to heavy industry; and Japan’s pre-war developmental state. The Soviet model was then in good standing. It had performed well compared to the West during the great depression, and had helped the Soviet Union be on the winning side in the Second World War. During the 1950s it seemed set to challenge the West in both technology and production.58 For the first decade post-1949, China also had significant assistance in terms of materials and scientific knowledge from the Soviet Union.

Mao, like many other leaders concerned with ‘catch-up’, was determined to transform China, and bring to it the wealth and power that went with modernity. He increasingly departed from the Soviet model of development, and indeed from the alliance with the Soviet Union, to strike out on what he hoped would be a faster path to development more in tune with Chinese characteristics. Yet while Mao was unquestionably a strong nationalist, he was no defender of China’s traditional culture. His rule was marked by vigorous campaigns against landlords, capitalists, family and kinship structure, Confucianism, and eventually almost anything old. Mao crushed the remnants of China’s middle-class and promoted the proletariat.59 In this drive, he was following, albeit in an extreme way, the idea from the May 4th and New Culture Movement reformers that Chinese culture was an obstacle to modernity: the new would have to be constructed on the ashes of the old.60 The Great Leap Forward during the late 1950s, and the Cultural Revolution from 1966-76, were the high-points of Mao’s attempt to accelerate modernization, but both led to major economic and

social disruption.\textsuperscript{61} ‘after the Cultural Revolution and the Great Leap it was impossible to argue for a continuation of Maoist economics’.\textsuperscript{62}

It is easy to see failures in Mao’s rule. He did not find an accelerated route to modernity, and his attempts to do so caused huge suffering. Under Mao, China became first entangled in Cold War enmities, then alienated the Soviet Union, leaving China as a rival of both superpowers. This not only increased the security burden on the country, but denied it sources of trade, aid and technology. His radical foreign policy of exporting Maoist revolution had, by the end of the 1960s, surrounded China with adversaries.\textsuperscript{63} Mao’s Cultural Revolution might even be seen as an attack on the rational state, one of the pillars of modernity. Yet his rule did have some significant successes in generating modernity with Chinese characteristics. Mao reunified the country and restored some of its status and power, if not much of its wealth. China developed basic heavy industry, and some high-tech sectors such as nuclear and rockets. A case can also be made that Mao’s ‘destructionism’ in relation to traditional symbols of Chinese society was a necessary prelude to the rapid modernizing mission led by Deng after 1978.\textsuperscript{64} Although Mao’s project did not produce an accelerated modernization, it broke old moulds and habits, discredited extreme versions of modernity, and opened the way to Deng’s very different kind of revolutionary experiment.

The foreign impact on this period was again mixed, not least because of the volatility of China’s foreign policy, which switched the Soviet Union and India from friends to enemies, and the US from enemy to strategic partner. After the war, Japan was eager to promote trade with Communist China, and made a series of trade deals with it in the early 1950s leading to a steady expansion of trade during the 1960s.\textsuperscript{65} As soon as the US opening to Beijing allowed, Japan recognized China in 1972. This fit with broader patterns of recognition, and in 1971, the PRC took up China’s seat on the UN Security Council.


In sum, China’s first concerted, state-led drive to harness the revolutions of modernity was a mixture of big successes and big failures. China remained predominantly agrarian, but with some significant industrialization and technical capacity, an expanded proletariat, and a willingness to embrace technology. The long fight over which form of modernity China should take on was resolved, with capitalism discarded, and autarchic command economy socialism firmly in place. China embraced the notion of progress, and linked nationalism with socialism as its primary form of legitimation. The CCP was able to build an authoritarian rational state to fit this model, and to close substantially the power gap with advanced industrial states. In the final analysis, however, Mao became torn between various aspects of modernity. In its preference for ‘red’ over ‘expert’, the Cultural Revolution was not just an attack on the rational state and the economy, but also on the division of labour, and indeed the principle of functional differentiation itself. Mao did not find the new form of modernity he was looking for, but arguably he did clear the ground for a second revolution that followed his death.

*Deng’s ‘Market Socialism’*

Deng Xiaoping’s ‘reform and opening up’ represented a vision of modernity that was radically different from Mao’s mixture of command economy and permanent revolution. While studying in the Soviet Union, the young Deng had experienced the ideas of Nikolai Bukharin, and the dramatic effect of the market on production during the New Economic Policy in the 1920s. The experience of the NEP stuck with him, and resurfaced in China in the group around Deng in the late 1970s. After the economic instability of the Mao era, Deng and his supporters were looking for a way to increase productivity quickly, and were open to exploring forms of ‘market socialism’. Unlike Bukharin, who saw market socialism as a temporary phase on the way to socialism, some Chinese policy makers saw market socialism as a permanent form of development.

Deng thereby reconfigured China’s encounter with the revolutions of modernity. His policy of reform and opening up both unleashed the market in significant sectors of the Chinese economy, and connected China to global trade and investment. In that sense, he leaned more towards Western thinking, albeit a mode of thinking mediated by the early experiences of the Soviet Union. He understood that the threat of great power war was low, and the opportunity for

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66 Gao Like ‘China’s Social Transformation and Two Types of Modernity’ Trans. By Adrian Thieret, in Tian Yu Cao, Xueping Zhong and Liao Kebin (eds.) *Culture and Social Transformation in Reform Era China* (no place of publication given: Brill, 2010), pp. 375-77.
co-development high: China needed to integrate economically into global international society, and it could do so safely. This relatively benign view of global international society contrasted sharply with Mao’s zero-sum view based on permanent conflict with democratic capitalism. It underpinned the idea that China needed to keep a low profile internationally, and bide its time, while it focused on its own development, a view that remained dominant throughout this period. Deng thereby abandoned the central pillar of Marxist revolutionary thought a decade before the Soviet Union began a process of glasnost (political reform) and perestroika (economic restructuring). While the Soviets attempted to combine glasnost with perestroika, China delinked the two – their model was perestroika without glasnost. Deng’s model has so far provided a stable foundation for rapid development, perhaps the most intense, compressed such development in world history. As such, Chinese opening up, rather than Soviet reform, has proved to be the historically more important event.

Deng’s embrace of the market within the confines set by a single party-state suggests a genuine conversion of at least the dominant faction in the CCP to belief in the market, albeit not a liberal one. It created a new blend of modernity which combined substantial elements of the market both domestically and globally, with the retention of an unrepentantly Leninist party/state (Milanovic, 2019: 91-6). The fierce focus on rapid modernization remained, although the means had changed. As with Mao, ‘Chinese characteristics’ was, at least initially, more about defending the legitimacy of the CCP than about China’s traditional culture. Deng’s revolution not only expanded the proletariat by drawing workers from the countryside to the cities, but it also rebuilt China’s middle-class virtually from scratch. Nothing like it had been tried before, and neither orthodox liberals nor orthodox Marxists could see such a combination as being stable. Unsurprisingly, Deng’s new form of modernity lacked a clear sense of direction. It was in some ways an emergency response to a desperate post-Mao situation in which the CCP urgently needed to increase production and prosperity in order to shore up the legitimacy of its weakened claim to permanent rule. That urgency was reinforced by the crisis of the late 1980s and early 1990s, which saw state socialist regimes in Central and Eastern Europe swept away, and then the Soviet Union itself collapse. But how was this chimeric construction to evolve? Many liberals thought, and hoped, that once China was infected with the virus of the market, this would eventually produce a more open, if not wholly democratic, society. Many continued to think this even after Deng’s violent suppression of the democracy movement in 1989.

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70 Gao Like, ‘China’s Social Transformation and Two Types of Modernity’, pp. 381-3.
and such thinking supported the US and Western policies of engagement with China. It was certainly the case that, compared with Mao’s time, the CCP gave civil society much more room to flourish so long as it did not question or threaten CCP control. True-thinking communists could only worry that the fundamental contradiction between a capitalist market economy and a Leninist party/state, would undermine both socialism and CCP rule.

After the chaos and destruction of the civil war and invasion period, and the turbulence and damaging experiments of Mao, Deng’s market socialism was in many ways remarkably successful. Economic growth and industrialization took off dramatically; huge numbers of Chinese saw palpable improvements in their welfare and lifestyle; and the balance between countryside (peasants) and city (proletariat and middle classes) changed in favour of the latter. The radical reforms of Deng and his successors decisively broke the century-and-a-half impasse in China between the desire to reform and modernize on the one hand, and the desire to retain the essence of a distinctive Chinese culture on the other.71 During this period, the Chinese model of modernity became increasingly clear. It opened up to the outside world on a scale, and with a depth and speed never seen before. It engaged with much of the rest of the world on the basis of sovereign equality, and allowed and even encouraged deep cultural penetration by the outside world. Millions of Chinese began to learn English, read foreign books and see foreign films, travel abroad, and participate in a global market economy with all of its implications from fashion to philosophy.

Deng’s ‘reform and opening up’ might better be labelled authoritarian capitalism than market socialism. Authoritarian capitalism captures Deng’s contradictory mix of Leninist party/state, and ruthless frontier capitalism, which pushed many of the welfare aspects of socialism into the background. China’s novel version of capitalism offered something that was clearly capitalist, but without any commitment to either democracy or liberal markets, and with a very substantial state sector and a high degree of regulation.72 Deng clung firmly to the vision of an ever-ruling CCP, but he opened the way to increasing China’s absolute and relative wealth, providing the resources to fulfil Mao’s dream of making it a world power. Deng’s project to develop China quickly through authoritarian capitalism is in effect a grand experiment intended to demonstrate that capitalist economic development does not require democracy,73 an experiment

72 Michael A. Witt, ‘China: What Variety of Capitalism?’, Branko Milanovic, Capitalism Alone, pp. 87-91, 103-06, 112-16, shows how China became capitalist during the 1980s and 1990s, yet how Deng’s policy worked to keep capitalists politically inert.
73 Orville Schell and John Delury, Wealth and Power, p. 381.
with its origins in earlier developmental states: Prussia, Japan and the Asian Tigers. This experiment is ongoing.  

The political economy of Deng’s authoritarian capitalism was complex. On the one hand, China was home to a large number of family-run, private businesses. It also contained a number of mega-corporations that were privately owned, such as Alibaba and Tencent. In terms of FDI and trade, China became quite an open economy – for example, 85% of China’s IT exports were produced either through joint ventures with international partners or through multinationals based outside the country. On the other hand, major chunks of the Chinese economy remained in the hands of state-owned enterprises (SOEs). These enterprises enjoyed state subsidies and access to capital from banks that were themselves state-owned. In this sense, the CCP was attempting to do two contrasting things simultaneously: it was maintaining a high degree of state control through direct ownership and finance, while also allowing, and sometimes directly incentivizing, entrepreneurs to establish competitive markets over large tracts of the Chinese economy. As one analysis puts it, China is a: ‘stir-fry of markets, socialism and traditional China that is fully none of the three, but mixes in bits and pieces of each – all tossed together over very high heat’. Or as Deng more famously put it: ‘It doesn't matter whether a cat is black or white, as long as it catches mice’.

Deng’s authoritarian capitalism shared some similarities to Japan’s rapid modernization in the late 19th and early 20th centuries. Deng’s reforms, like those of Meiji period, were about generating both wealth and power. But although Deng leaned towards Western (and Japanese and Singaporian) thinking, he was still sensitive to the old question of how to balance this with Chinese characteristics. Like the Meiji reformers, the CCP used nationalism and links to China’s classical past to stabilize the turbulence of the revolutions of modernity. They sought wealth and power partly to serve the people, but mainly to strengthen the party/state. Deng himself ‘pumped the trickle of

It also has synergies with Western anti-capitalist movements, which see capitalism as antithetical to democracy. Some are even embracing socialism as a frame for this movement, even if few see this in terms of Chinese-style socialism.

74 It also has synergies with Western anti-capitalist movements, which see capitalism as antithetical to democracy. Some are even embracing socialism as a frame for this movement, even if few see this in terms of Chinese-style socialism.


Japanese visitors to Beijing for information on how their country’s leaders had managed to modernize science, technology, and industry, and saw Japan as ‘a model for China’s own economic modernization’. Japan made very significant contributions via both aid and investment to China’s modernization, providing the capital and the industrial technology that China needed for its economic take-off, and helping Deng to overcome resistance to his reforms.

Japan’s Overseas Development Assistance (ODA) loans and grants to China during this period played a significant role in laying the foundations for China’s rapid industrialization, and was indispensable to China’s transformation into a new form of market economy.

If Deng cultivated good relations with Japan as part of his pursuit of a stable environment for China’s economic development, this broke down in the late 1980s and 1990s, when China’s economic boom was taking off, and Japan’s economy begun to slump. Under Jiang Zemin, China turned towards an anti-Japan line, cultivating a nationalist memory built around the war against Japan. By giving so much assistance to China’s modernizing project under Deng, Japan was complicit in creating the material foundations for the security competition that emerged between the two states. At the same time, China’s war with Vietnam in 1979 was a significant step in rolling back Soviet influence in southeast Asia.

In contrast to the relationship with Japan, however, increasing Chinese power did not turn into geopolitical rivalry with Russia. As this period wore on, Russia and China became increasingly well aligned on a range of major issues.

In sum, from the late 1970s to the early 2010s, China made huge strides towards expanding and consolidating its distinctive form of modernity. Mao’s assaults on the rational state, class structure, and functional differentiation were reversed, even if law remained subordinate to politics. China became much more deeply industrialized, and rapidly closed the remaining power gap.

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80 Michael Yahuda, Sino-Japanese Relations After the Cold War, loc. 2179. John W. Garver, China’s Quest, pp. 683-4.
81 Kokubun Ryosei, et al., Japan-China Relations in the Modern Era, 95-121.
83 June Teufel Dreyer, Middle Kingdom and Empire of the Rising Sun, p. 4.
86 Branko Milanovic, Capitalism Alone, pp. 91-112, argues that in a system of ‘political capitalism’, like China, the ruling party cannot surrender its discretionary power to interpret the law without undoing the basic nature of the system.
with the West and Japan. Technology was allowed to become a driving force of development, and the effects of technology diffused widely through an increasingly consumerist society. Nationalism was strengthened to compensate the seemingly weakened commitment to socialism. The key remaining tension lay in the contradiction between the unleashing of capitalism in society, which in many ways decentralized wealth and power, and the stability of CCP rule. While spectacularly successful in many ways, Deng's reforms lacked a clear vision of China's future. They favoured growth over balanced development, and generated problems ranging from internal mass migration, through corruption, to environmental degradation. They lacked a stable answer to the enduring question of what the balance between Western thinking and Chinese characteristics should be.

4. Modernity with Chinese Characteristics: Xi's ‘China Dream’

Xi Jinping took office in 2012, and his subsequent removal of the two-term limit, make it possible that he will be in power for many years to come. Eight years into his rule, it is already clear how Xi wants to develop the next phase of China’s transformation. In short: Xi is trying to reconnect the Mao period of the party/state, to the very different path of development taken by Deng.\(^{87}\) Xi wants not only to bridge the seemingly huge ideological and policy gap between these two periods, but also to take China, and CCP rule, forward on the basis of the resulting synthesis. The existence of an apparently major ideological and policy disjuncture between Mao and Deng is not only an embarrassment for the CCP, but a difficulty for the country in understanding its history in a coherent way. Xi’s strategy depends on the widely held interpretation discussed above, that Mao’s revolutionary experimentalism was a necessary path-clearing to enable Deng’s rapid, and in terms of wealth and power, highly successful, turn to authoritarian capitalism.

This strategy works in two ways. On the one hand, it enables the Party and the Chinese people to make sense of what otherwise seem to be contradictory periods of CCP rule with two leaders representing opposed approaches to modernization. On the other hand, it enables Xi to re-legitimize aspects of Mao’s policies and practices, and reintroduce them to China’s 21\(^{st}\) century politics. Xi seems keen to close the uncertainty about China’s political evolution generated by Deng’s introduction of the market, and promotion of the middle-class, and to set out a clear and consolidated vision of China’s fast evolving form of modernity. On the basis of China’s considerable success at modernization over the past three decades, Xi wants to end this cycle of experiment. He seeks to consolidate a new form of modernity with Chinese

characteristics, combining selected elements of market socialism with a major role for a resolutely authoritarian state.

In addition, Xi’s vision of modernity with Chinese characteristics goes beyond just bridging Mao and Deng, and removing the ambiguity in Deng’s market socialism about whether and how market and class forces can be contained so that they do not corrode socialism. He wants also to reintroduce, retool and remobilise substantial elements of traditional Chinese culture. He signalled this most clearly in 2016, when culture was added to the existing list of things in which the Chinese people should have confidence (the socialist path, the political system, and the guiding theories). Privileging Chinese culture in this way swings the balance back from Western towards Chinese thinking, boosting the role of traditional culture in China’s emerging form of modernity. This move synthesises several elements that have been circulating for many years. Pieke labels this synthesis ‘neo-socialism’: a novel, and potentially stable, combination of authoritarian socialism, neoliberal capitalism and Chinese nationalism, with rule by the CCP elevated to a kind of religious orthodoxy. Milanovic labels it ‘political capitalism’. Whatever label is preferred, the four main elements in the synthesis are: nationalism, ‘traditionalism’, the Leninist party/state and market socialism, and positioning China internationally as a great power.

Nationalism

Nationalism is a long thread in China’s encounter with modernity, stretching back well into the 19th century. The 19th century contradiction between Han nationalism and the Manchu/Qing regime was released after 1911. The cultivation of nationalism as part of China’s encounter with modernity became integral to movements such as the Boxers, as well as the reform movements and political successors to Sun Yat-sen, most obviously the KMT. Nationalism during the Mao years was somewhat overshadowed by his commitment to class-struggle. During Mao’s period, and the early years of Deng, historical grievances were largely put to one side by the Chinese government. But from the 1980s, Deng and his successors cultivated nationalism and historical grievances as a way of bolstering CCP legitimacy.

88 Frank N. Pieke, Knowing China, locs. 222, 486-642, 3674-3790.
89 Branko Milanovic, Capitalism Alone, pp. 2-4.
90 Cho-yun Hsu, China, p. 506.
91 Christopher R. Hughes, Chinese Nationalism in the Global Era (Abingdon: Routledge, 2006), locs. 466-528. John W. Garver, China’s Quest.
after their unleashing of the market relegated Marxist ideology into the political background.

Like most rapidly modernizing countries, China found nationalism to be a useful way of promoting unity and countering class and regional differences. As noted above, from the 1980s, this cultivation took an explicitly anti-Japanese turn. This was intensified from the early 1990s with the further promotion of patriotic education with a high anti-Japanese content as a response to the collapse of communist rule in the Soviet Union and its immediate sphere of influence. The Chinese leadership saw Japan as an easy target against which to mobilize nationalist sentiment at low risk, when they could not do so against the US because that would threaten China’s development. Under Xi, this cultivation of nationalism and historical grievance is a major part of Chinese modernity. China’s government has committed itself to promoting a strong sense of nationalism and historical victimhood with all of the problems that poses for China’s foreign policy and role as a great power.

**Traditionalism**

The trajectory of ‘traditionalism’ in China’s encounter with modernity has been varied. By traditionalism, we mean carry-overs from social, economic and political ideas and practices from a country’s pre-modern past. As argued above, all forms of modernity are blends of the new and the old. In China’s 19th century encounter, reformers faced such strong opposition from traditionalists that they had to contemplate tearing down the old in order to build the new. There is a strong link to nationalism here, because traditionalists represented a nativist streak of nationalism opposed to a modernity which, if pitched as ‘Westernization’, appeared antithetical to Chinese history, culture and identity. The fall of the Qing dynasty removed a key element of tradition from China’s

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95 Susan Shirk, China: Fragile Superpower, p. 221.

politics. During the civil war period, modernizers had the upper hand, but the project was stymied by the conflict between them. The CCP was the more revolutionary in its commitment to modernity, with the KMT being less hostile to Chinese traditions. During Mao’s period, ‘traditional culture’ was largely cast as the enemy of both the party/state and progress, and subjected to an intense, but ultimately unsuccessful, purge. Under reform and opening up, Deng and his successors withdrew much of the party/state’s deep control over civil society, and allowed, even up to a point encouraged, the open revival of many major aspects of traditional culture including Confucianism and Buddhism. This allowed them to tap into China’s long past by resynthesizing traditional symbols with modernity to create a hybrid contemporary Chinese identity. In so doing, they bolstered the legitimacy of CCP rule. During this period, the Party was not slow to realize that, with Marxism pushed to the background, society needed a moral compass, and that aspects of Confucianism could serve this purpose well. The linked set of Confucian ideas around hierarchy, obedience and harmonious relations served both to support authoritarian rule and to frame a foreign policy rhetoric of peaceful rise.97

This fusion of traditional and modern has been strengthened under Xi. Such blending fits with the expectations of UCD that imported norms will be translated into distinctive local blends. The emerging Sinicised version of modernity now being promoted in China is distinctly illiberal in that it is collectivist rather than individualist (on both Confucian and Marxist grounds), and hierarchical/authoritarian rather than egalitarian/democratic. It also emphasis relational (guanxi) social interactions,98 and is strongly influenced by Confucian concerns about ‘face’ in social relations.99 This resurgent hybrid leaves Mao and earlier ‘destructionist’ reformers looking like outliers.

The Leninist Party/State and Market Socialism

China has never been a democracy. Its political tradition might be described as a preference for a strong and unified central government that worked well enough to win performance legitimacy (‘the mandate of heaven’). When dynasties weakened and failed, what ensued was a zero-sum struggle to rebuild a strong central government. Whereas the liberal West looks to a pluralist decentralization of power as its preferred position, China, at least domestically, sees divided power as a recipe for civil war, and thus to be

avoided. In the main, Chinese policy makers are allergic to the default setting of Western democracies: that the separation of powers between the executive, legislature and judiciary generates checks and balances that are, in turn, necessary to restrain arbitrary power.

Xi Jinping’s version of centralisation is constructed around a combination of socialist rhetoric, the Leninist party-state (both reinforced by Confucianism), and restrictions on the latitude of the market. When he took power in 2012, Xi began a process of tightening the control of the CCP over both business and society. The popular anti-corruption campaign was one vehicle for this. Since 2015 the Party has been extensively reasserting its control over business, education, and civil society. It has recently reversed the earlier liberalising line by tightening control of private sector firms and, seemingly against its own rhetoric about making market forces ‘decisive’ in the economy, increasingly favouring SOEs in the commanding heights of the economy. Indeed, China has cultivated SOEs more than comparable developmental states. It relies on them for income for the party/state, and was well-served by them during the 2008 economic crisis. Since 2013, the Chinese state has also sought to tighten central control over finance.

While eroding market freedoms in this wider sense, the CCP has retained the crucial capitalist element of competition within sectors both among SOEs in particular, and the private sector more generally. Indeed, extreme domestic competition could be what gives China’s version of capitalism a potential edge over the US in production, and up to a point technological innovation. This is helped by China’s unusual combination of centralisation and decentralization, in which provinces are given considerable leeway to conduct economic and social experiments in pursuit of centrally set goals. China under Xi regularly positions itself as a defender of free trade. Indeed, Yan argues that maintaining ‘a liberal economic order built on free trade’ is ‘top of Beijing’s priorities’ – ‘to gain and maintain access to foreign markets’ is a major feature of the Belt and Road Initiative (BRI).

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100 Yuri Pines, *The Everlasting Empire*.
102 Kerry Brown, CEO, *China*, locs. 2684-2781.
It seems likely that Xi wants to change the balance of China’s political economy in this way for two reasons. First, he wants to reassert the element of socialism that was brought into question by Deng, and which helps to relink the Mao and Deng periods; Marxist thinking is being given an official revival. Second, he wants a commanding Leninist state to take firm control of China’s economy and society in order to steer the country through the difficulties of the ‘middle income trap’ in which China might get old before it gets rich, and the populace has to adjust to much slower economic growth than during the past forty years. China is beginning to confront the difficult transition involved in moving from capital intensive and export-led development to improving economic efficiency, increasing domestic consumption and dealing with the side-effects of rapid growth, not least pollution.108

Positioning China Internationally as a Great Power

China has never lost the sense of itself as a great power, whether as the Middle Kingdom before its first modern war with Japan, or as a nation-state after 1911. A major part of its ‘century of humiliation’ was the loss of great power status after 1895 in the eyes of others, something accentuated by Japan’s elevation to this status at China’s expense. Chiang Kai-shek’s foreign policy was largely geared around reviving China’s status as a great power, an aim briefly achieved at the Cairo conference in 1943, and by the award of a permanent Security Council seat in 1945. Mao shared this goal, which underlay his desire to find accelerated pathways to development, his promotion of Maoism as a global ideology, and the high priority he gave to the development of nuclear weapons. The US opening to China in 1972 marked a significant moment towards this goal, although one compromised by China’s relatively poor economic performance during this period.

By the 1990s, Deng and his successors had begun to overcome the economic shortcomings of the Mao period, deepening its embrace of industrialisation and technology and putting China onto a clear course of rapid development and sustained growth. In so doing, they provided the underpinnings of China’s claim to great power status. But they kept military spending relatively low, and nuclear arsenals relatively small, maintaining a predominantly defensive profile. Deng’s export-led development strategy required stable international relations, and this period can thus be seen as one in which China covered its weakness and dependency, chose not to challenge the US militarily, and took a low-key role internationally.

Now that China is richer and stronger, Xi is abandoning Deng’s low profile stance. He wants to restore Mao’s and Chiang Kai-shek’s goal of great power status, and to turn the wealth and power gained by China over recent decades into a proactive foreign policy based around ‘striving for achievement’. He is pushing to make China’s technological capability both more advanced and more independent. He is increasing China’s military capability to be conspicuously able to challenge the US in the East Asian seas. Xi is also abandoning Deng’s assumption about a benign international order in which the risk of war to China was low, and the benefits from economic integration with the Western-led world economy, high. The reasons for this are multiple, involving, *inter alia*, the post-2008 weakening of a global trading system based on some countries having huge trade surpluses and others huge deficits. Competition with the US is now hotter, partly because of China’s more assertive foreign policy stance towards India, Japan, and a number of countries in southeast Asia, but also because of Trump’s combative stance on trade and alliances. The old bargains that once stabilized the rise of China have broken down for both structural and political reasons. China now has to look more to internal consumption for growth, and to find a level of military strength appropriate to its power and interests.

Jiang Zemin’s catchword ‘rejuvenation’, understood as restoring China’s former position and glory, already pointed in this direction. Rejuvenation fed into Xi’s ‘China Dream’, which has roots in a desire to restore China as a great power, and perhaps eventually as the world leader. So too does the rhetoric of ‘return to normality’, which implies the restoration of both China’s status as a top great power, and its primacy within East Asia. For at least the next decade or two, it is the regional level in East Asia that will largely define the strategic rivalry between China and the US, and how China’s neighbours will respond to its growing power and ambition under Xi. Xi’s signature BRI is key to his regional ambitions. In this phase of China’s encounter with modernity, the West and Japan are increasingly alarmed and oppositional, Putin’s Russia has strengthened its alignment with China, and China’s Asian neighbours are

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becoming worried, trying to hedge their bets without getting drawn into openly taking sides between China and the US.\textsuperscript{112}

In sum, during Xi’s period to date, China has begun to explicitly and systematically bring its whole history under the umbrella of modernity. A revival of traditional culture has accompanied a continued deepening and widening of its industrialization and its commitment to pursuing the latest technology. It has continued to cultivate nationalism, while increasingly constraining the market, particularly the financial sector,\textsuperscript{113} strengthening the rational state, and restoring elements of socialism. The power gap is now more or less closed, and settling into regular forms of competition amongst industrial great powers. The picture of a developing modernity with Chinese characteristics is becoming clearer. Oddly, although acknowledged as a great power, China still clings onto its UN designation as a developing country, even though it is now a middle-income state exporting both capital and technology. Modernity itself, of course, continues to evolve, and has no stopping point. China cannot therefore ‘arrive’ at modernity, but it has come far enough so that its struggle looks less and less like crossing the gulf separating tradition/underdevelopment from modernity/development, and more and more like the continuous adaptation required of all states by the ongoing revolutions of modernity.

5. Conclusion

The theory of UCD expects macro-historical transformations to spread and impact unevenly, and to produce different outcomes in different times and places. The emergent ‘modernity with Chinese characteristics’ fits this picture well. In the longer perspective, Xi is not just trying to synthesise Mao and Deng, but to integrate both into a stable synthesis with deep and durable aspects of traditional Chinese society. Pines hints at this grander synthesis, noting how much the CCP’s style of rule, and its concerns for domestic order, unity, hierarchy, anti-corruption, the legitimacy of its right to rule, and serving the people, resemble traditional dynastic practices and concerns.\textsuperscript{114}

However, the emerging picture of modernity with Chinese characteristics is much more complex than just ‘back to the future’. China has successfully integrated traditional notions of culture and identity with several aspects of modernity that it once resisted. In comparison with the 19th century, Chinese leaders are now comfortable with nationalism, industrialization and

\textsuperscript{114} Yuri Pines, \textit{The Everlasting Empire}. 
technological progress, and up to a point capitalism. At the same time, Chinese development has sought to maintain its collectivist social structure and hierarchical authoritarian-bureaucratic mode of government. Its intensified form of meritocracy has roots both in China’s mandarinate traditions, and 19th century liberalism. The CCP may look like the mandarinate of dynastic times in bringing meritocratic expertise to serve the people, but at 80 million members, and in command of sophisticated technological resources, it is vastly larger and more deeply embedded in civil society than the dynastic bureaucracy ever was. Some people may see Xi as an emperor-like figure, but there is no dynastic principle, and the succession mechanism remains unclear. Industrialization and the market have permanently transformed China’s class structure. The present system is not some kind of revival of dynasticism in CCP clothes, but a novel synthesis of old and new in which each is reshaped by the other.

This attempt at a grand synthesis raises new contradictions and challenges. Can China pare down the role of the market without losing efficiency and jeopardizing the economic and technological dynamism of modernity? In some ways, the CCP’s reassertion of control over the economy, and its continued insistence on the party standing above the law, raise questions about functional differentiation. So too does the reinstatement of Confucian values. Re-embedding the importance of hierarchy in Chinese society cuts close to restoring the stratificatory principle that functional differentiation and modernity are supposed to erode. How well will China’s governing arrangements be able to sustain performance legitimacy during the difficult phase of development that the country is now entering? China is thus still experimenting with its own version of modernity. Modernity with Chinese characteristics is a work in progress. Like all other societies that have embraced modernity, China has committed itself to the permanent revolutions that come with it, and will have continuously to adapt to them.

There are also some specific policy questions that remain open. For now, China has abandoned its preference for economic autarchy, and embraced Deng’s idea that it needs to be engaged in the global economy, accepting the interdependence that results from this engagement. Yet as China shifts towards development based on domestic consumption rather than exports, how will it use its immense size? Will it want to step into the role of global economic leader being abandoned by the US, or return to the notion of cultivating as much economic autarchy as it can?

In whatever ways modernity with Chinese characteristics unfolds, China is certainly not going to become a clone of the West, Japan, the Asian Tigers, or other states that have experienced profound modernising missions. Most likely, China is going to be some version of the hybrid of traditional and modern that it has already become. The rest of the world, and especially the West, needs to recognize this, accept it, learn from it where appropriate, and stop expecting that China will conform to liberal models of modernity. Modernization does not equal Westernization. Modernity takes many forms, both liberal and illiberal, and combines with tradition in many ways. China is unfolding as its own novel fusion. The future of global international society is modern, but as many have argued, more culturally and politically pluralist than it has been during the last two centuries of Western dominance.116 Rosenberg’s vision of varied outcomes arising from the transmission of macro-historical transformations, and their blending with local traditions and circumstances, has trumped both liberal modernization theory and Waltz’s idea of socialization and competition generating like units. For its part, China needs to understand how its own distinct variant of modernity both meshes and clashes with other variants. This is particularly critical in the economic sphere, where China’s model does not fit smoothly within global rules designed around liberal principles. All states may be capitalist now, but as can be seen from daily reports about trade and investment, differences between forms of capitalism are sufficient to threaten the viability of the existing economic order. The need all round is for a policy of coexistence that acknowledges, tolerates and respects difference. If done sincerely, this might enable sufficient cooperation to keep the peace, and enable trade and investment to deepen, despite different forms of domestic political economy. Such a strategy is also required if global international society is to address the shared fates and threats that global modernity is generating for all.