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China's new globalism

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The traditions of communist revolution and socialist internationalism, which once defined the People’s Republic of China, have today faded into the distant past. The programme of ‘reform and opening’ market integration that began in 1978, intensified especially since 1992, has now evolved into an all-round globalism that guides China’s domestic and foreign policies. Free trade is promulgated in a peculiar rhetoric of socialism that embraces a ‘common destiny for the human community’ along with a cooperative relationship between the ‘G2’. At the Chinese Communist Party’s (CCP) 19th National Congress in October 2017, Xi Jinping declared that ‘socialism with Chinese characteristics has entered a new era’.

What exactly is new and aspirational about this era? The ‘two centenary’ goals first proposed in the 15th Party Congress in 1997, and elaborated in the 18th Congress in 2012, remain in place: By 2021, the 100-year anniversary of the founding of CCP, China will have built itself into a fully-fledged xiaokang (moderately prosperous) society by doubling its 2010 per capita income while eliminating poverty. By 2049, the 100-year anniversary of the founding of PRC, China will have become a ‘strong, democratic, civilized, harmonious, and modern socialist country’. How these lofty characterizations might be substantiated is a real question, as current policies do not seem oriented toward achieving them.

What does appear unconventional is the ‘fifth generation’ leadership’s ‘going out’ plan (apart from domestic escalation of repressive control). This marked the complete end of the Maoist internationalist and anti-imperialist worldview, a process begun with Deng Xiaoping’s ineffective war to ‘teach Vietnam a lesson’ in 1979 to signal China’s pro-US shift. Deng’s pragmatic strategy of keeping a ‘low profile’ in the next three decades has been replaced by Xi’s more assertive posture in pursuing the ‘great rejuvenation of the Chinese nation’ and demanding a place at the center of the global stage: ‘Scientific socialism is full of vitality in twenty-first century China, and the banner of socialism with Chinese characteristics is now flying high and proud for all to see.’ Chinese approaches to solving the problems facing mankind, from conflicts to eco-crises, were declared here to be globally applicable.
This global optimism in the name of its own brand of socialism, however, contradicted China’s subordination to the logic of capitalism at home and abroad, and may now be tested by an aggressive US trade war. Xi’s speech at the Boao Forum for Asia in April 2018 struck a much less confident and more conciliatory tone. Stressing that countries should stay committed to openness and mutual benefits, he reconfirmed China’s commitment to more comprehensive economic liberalization, including relaxing controls on the financial sector. China would ‘significantly expand market access’ by: immediately (or soon) stepping up imports, further opening its financial market and service industries, raising foreign equity limits in securities, insurers and banks, lowering auto tariffs, easing restrictions on foreign ownership in manufacturing (e.g. ships, aircraft and autos), and enforcing intellectual property rights. Here the contrast between China’s economic vulnerability and foreign policy boldness, as between autocratic political control and neoliberal-style economic policies, is uniquely striking, even as China apparently remains determined to stick to its flagship Belt and Road Initiative (BRI) as well as its pledge to be a ‘responsible big country’.

This essay, after a brief background account of China’s departure from socialist internationalism and global repositioning, will critically assess the dominant official ideological justifications for globalism in China. Along the way, three propositions are advanced. First, China’s partially dependent development since undertaking market reforms is unsustainable and cannot be emulated by others. Second, China must address its own serious problems before it can offer the world anything morally appealing or practically feasible: the success of China’s overland and overseas adventures will depend on the creation of a humanly and environmentally sound domestic social model. Third, China’s outward quest for energy and other resources comes with serious perils amidst the realpolitik of American hegemony and militarism. It is in this context that the essay concludes by asking whether China can reasonably be expected to regain the ability to positively reshape the global political economy.

FAREWELL TO THIRD WORLD INTERNATIONALISM

Revolutionary China’s socialist internationalism had two dimensions: defending national sovereignty based on internal ethnic equality and solidarity, and externally supporting other countries in the socialist and third world camps. The new China of the 1950s saw the modern world in terms of overcoming the challenge of uneven capitalist development, in which a ‘privilege of backwardness’ could enable a country at the margin to catch up or even surpass the centre through learning and leaping. Such
ascendance was seen to be conditional on the subjugated peoples breaking free from imperialist chains, that is, from the capitalist extraction, domination, and sabotage which not only hampered independent development, but entailed profound and anguishing disadvantages associated with economic backwardness.

Despite its relatively advanced status before 1800, the Chinese experience of semi-coloniality, whereby the collusion between foreign powers and a local comprador-bureaucracy achieved no imitation of the West but only prevented any substantive attempt at modernization. The lessons the Communists drew from this explains the dual character – both nationalist and socialist – of the revolution of 1949. Oriented to fashioning an independent developmental state wherein revolutionary nationalism and third-worldist internationalism were dual markers of Maoist foreign policy. The victorious revolution in China was never merely Chinese in the postwar realignment of global politics. Nationalism was a form of internationalist identification with other oppressed peoples in a twofold commitment to national liberation. Chinese nationalism was also tied to socialism which was intrinsically internationalist.

This internationalism confronted a global capitalist system, in which the independent survival of any socialist regime would depend on the sustenance it could draw from wider resistance to that system. Despite its own acute difficulties, China thus aided anti-colonial movements and postcolonial developments beyond its borders, often in the complicated circumstances of an international united front replete with internal tensions. China’s assistance to its socialist neighbours and communist guerrillas in Southeast Asia, support for nationalists and socialists in the Arab world, and solidarity with civil rights and black liberation movements in America and Africa were all predicated on its own security as well as its internationalist duties. The third world, in Mao’s map, constituted a broad area of popular struggles that challenged what he increasingly came to characterize as two hostile camps dominated by the competing super powers. Proudly self-reliant, China was able to create precious autonomy and diplomatic room for manoeuvre in an extremely treacherous geopolitical context. On an anti-imperialist platform – Soviet ‘social imperialism’ included – Maoist internationalism embraced the nonaligned nations that had initially rallied together at the 1955 Bandung conference, as well as the rebellious and antiwar generation of 1968 in the West. This anti-hegemonic stance was asserted with no little panache against the narrow logic of the Cold War adversaries, although the rigidity of China’s opposition to the Soviet Union resulted in serious
errors, with some damaging effects not only on the Communist bloc but also the developing world.

Socialism, third-worldism and internationalism were, at the most basic level, natural allies. Based on the ‘five principles of peaceful coexistence’ earlier codified between China and India in their agreement concerning trade and communication in the Tibetan region, the Bandung Conference adopted ‘ten principles’ of national independence and integrity, equality of all races and nations, and noninterference in international affairs. Later the nonaligned movement (NAM), initiated by Yugoslavia, India, and Egypt, became an important political force, especially once it entered a more radical phase following the 1959 Cuban revolution, which led to the participation from Latin America.

Indeed, China was highly visible among progressives throughout the three continents, spanning its support for struggles ranging from Congolese independence and the Algerian revolution to the Chinese-designed and financed TAZARA, the single longest railway in sub-Saharan Africa, connecting Tanzania and Zambia and completed in the early 1970s. Indeed, China maintained a large aid programme and friendly diplomacy with third world countries, offering grants, interest free loans, and direct building, training and service projects that involved technology transfer, especially in agriculture. China’s international conduct was exemplary of an alternative practice to the prevailing first-third world relationship.

In 1964, after China’s relations with the Soviet bloc (and India following the 1962 border war) had gone sour, Mao did not miss the occasion to support anti-US protest in Panama in calling for the ‘broadest united front’ to ‘counter American imperialist aggression and war policies and defend world peace’.\(^1\) Without getting into the Sino-Soviet debate over fundamental theoretical questions or relationships among the communist parties, suffice it here to note that in the more militant Chinese view, ‘revisionist’ Soviet policies amounted to a betrayal of Marxism and world revolution. Overlooked was the very existence of a USSR constraining the Atlantic powers, and thus functioning as a brake on capitalist war and money machines – something that could be truly appreciated only after the fact. It was in this sense that Eric Hobsbawm described the collapse of the Soviet Union as ‘an unmitigated catastrophe’.\(^2\) In other words, China’s preoccupation with counter-hegemony led to a categorical misjudgment, similar to the error in domestic politics of confusing the ‘two kinds of contradictions’ (as Mao put it in 1957) by mistaking ‘contradictions among the people’ for those between enemies. This form of ‘left infantilism’ eventually trapped China
in impossible isolation. To relieve itself, and counterbalance the Soviet threat, China turned to the US after having rebuffed American entreaties in 1968-9 when the war in Vietnam heavily involved Chinese weapons and undercover field troops. The shift from waging a united struggle against global capitalism to an anti-hegemonic alliance poisoned by sectarianism or from socialist to nationalist principles, compromised the class nature of the third-worldist version of proletarian internationalism.

Consequently, the impact of China’s foreign policy and international relations involuntarily became mixed, if not outright detrimental, in relation to the internationalist cause. Communist infighting spread from the Sino-Soviet split, fracturing parties everywhere and resulting in ‘an ever more accelerated disintegration of the internationalism of the classical communist movement’, with the exception of Cuba as an icon of internationalism.

The nationalist impulse, however, was an almost inevitable response to capitalist crusades against communist regimes since 1917, as exemplified by the contrast in Asia between the blockading of communist states and the nurturing of anti-communist ones, which have enjoyed extravagant aid and market access from the US and Japan. Problems associated with internal bureaucratization of the Eastern bloc were somewhat curbed by the wars in Ho Chi Minh’s Vietnam, redressed in Mao’s experiments in China, and fairly kept at bay in Cuba. Yet in addition to the centralization, and often personalization, of power that subverted revolutions, conflicts among comrades and allies demoralized and exhausted both the socialist and third worlds. Internationalism, socialism, and third-worldism went down together.

In the aftermath of the breakdown of Bretton Woods and the oil crisis and abandonment of the gold standard, as the developing countries found themselves even more deeply dependent economically, the 1970s witnessed the gradual transformation of the ‘third world’ from a politically transformative agent to merely a developing economic enterprise. This was marked by the formation of the G77, which was confined to a growth agenda implemented under the monopoly of the G7, the IMF and the World Bank. China showed growing ambivalence toward the NAM due to its own enmity towards the USSR, signing a reversion of its third-worldism. The responsibility of China for the passing of an age of raging popular mobilization for global equality and justice is especially regrettable because China itself belonged to the third world. Its traverse, from being fiercely independent to opportunistically leaning toward the US, followed the same Cold War logic of détente originated in the Yalta deal – that of a ‘balance of terror’.
An important clarification is in order. If revolutionary China’s rapprochement with the US through Mao’s tactical acceptance of the American olive branch in the early 1970s was still a conditional strategic move, reformist China was subsequently fully willing to play the rules of capitalist domination. The Maoist endeavour was to weaken a bipolar world order and strengthen China’s defence and economy by pitting the two superpowers against each other. By contrast, a globalizing China has today largely abandoned anti-imperialism in joining a unipolar world. Obvious continuities notwithstanding, the two eras represent different Chinese identities: between socialism and ‘socialism with Chinese characteristics’; between internationalism of class/national liberation and globalism of jiegui or ‘getting on the track’; between independence and subordination; and indeed between revolution and counter-revolution. If Mao momentarily deviated from socialist and internationalist propositions, he and his colleagues retained them in their long-term principles. His successors, on the other hand, became cynical about socialism altogether and simply removed ‘internationalism’ from the official vocabulary. This great transformation was of momentous significance: by fuelling global capitalism with its enormous workforce and vast market for capitalist expansion and financialization, China actually helped extend and sustain the global capitalist system.  

China’s Global Integration 2.0

China’s turning itself into a ‘rule taker’ and capitalist growth centre not only meant providing capitalism and its global division of labour with a vast new space of exploitation and reconfiguration. Politically, it also meant that the world’s most populous state became no longer identified with the loosely rallied anti-capitalist left of the world. While ecologically, it led to the largest developing country, albeit one producing goods primarily consumed abroad, to overtake the developed economies in pollutant emissions and resource depletion. But above all, market reforms in China, in tandem with global neoliberalism, deeply transformed Chinese culture along with its class, gender, ethnic and regional relations. The nominally communist regime has sponsored what is depicted inside China as a partial bureaucratic-capitalist restoration, which continuously inflicts calamities upon society and nature. This is a polarizing process. It has evidently reduced absolute poverty while reproducing it in other ways due to the marketization of public services and creating a degree of consumerist homogeneity amidst all kinds of social disparities. Ten of millions children ‘left behind’ by their parents work as rural migrants in faraway cities, often in precarious, low wage jobs allowing only the most
meagre of living conditions – this alone tells the inhumanity of China’s ‘economic miracle’.

If China’s globalism 1.0 was a project of reform and opening intended to utilize foreign capital, managerial skills, and technologies to build an advanced sovereign national economy, that ‘shallow’, selective and self-protective ‘relinking’ has long been outdone by a more thorough integration. Continuing the trend, globalism 2.0 is premised on Shengai (‘deepening the reform’), thereby pointing to China’s comprehensive global participation. The agenda is unprecedented: privatizing state firms and commodifying the land, loosening financial regulation for foreign investors, and liberalizing the ‘commanding heights’ of national industries.

Xi’s latest interpretation of the Communist Manifesto serves as ironic ideological packaging for this agenda. In a Political Bureau study session on 23 April 2018, he applied Marx’s characterization of a rising capitalism conquering the globe in claiming that China must strive to ‘multi-polarize the world, globalize its economy, informationize its society, and pluralize its culture’ so as to allow the benefits and opportunities brought about by globalization to be better shared. Bearing Xi’s personal name, this upgraded globalism demands unreserved consent from not only party officials, but also common citizens. Any critical voice is stifled.

A fundamental reversal of Maoist self-reliance, globalism 2.0 resembles elements of the earlier cases of dependent development yet is also unconventional. It has two interrelated defining features. One is a considerable degree of dependence on foreign capital, markets and technology as a result of unequal exchange, and inadequate economic self-protection; the other is capital exportation as a result of overcapacity and the quest for energy, as well as by virtue of excessive foreign reserve holdings and capital flight through individual transfers of funds abroad by the new rich. The first, entailing heavy labour exploitation, resource extraction, and environmental degradation, is more or less within the analytical scope of dependency theory. The second dimension is less anticipated, as it entails a peripheral economy competing with the core economies in the capitalist concentration and financialization.

The first feature of China’s new globalism is the amplification of its flawed reform model. Attempts to change it have not succeeded. It was quite unexpected by the initial reformers that, in comparison with the typical East Asian developmental states, foreign dependency has been reinforced rather than phased out as the Chinese economy has grown exponentially. Not without large gains, of which some are short-term, this
trajectory has proven very costly. As top companies in most industrial sectors in China are already infused with foreign capital and control, a trend only reinforced by the current policy of further opening, the initial hope to ‘exchange market access for technologies’ is being dashed. In the same vein, nothing seems able to halt the inroads made by multinationals seeking super-profits and rents, some are also moving away from China to seek still cheaper labour.

This pattern emerged as a result of extraordinarily preferential policies toward foreign investors: reductions to, or even exemption from, regular taxation applied to Chinese firms in various periods and forms; and the double failure of Chinese regulators to enforce conditions on foreign investment for technological transfer and diffusion, on one hand, and to rein in ‘casino capitalism’ and prevent investor short-termism, on the other. If such policies were rationalized at a time of China’s capital shortage, their reinforcement today is hardly justifiable, not only politically but also economically. This is all the more puzzling given that the government has repeatedly pledged to ‘rebalance’ and move China up the value chain. Since Hu Jintao’s ‘scientific conception of development’ proposed in 2006 and emphasizing innovation, China has focused on its large state firms for technological capacity building while leaving smaller enterprises in the export sector to sustain a trade surplus.

In 2015, the national ‘Made in China 2025’ agenda promoted R&D in ten strategic industries to develop a knowledge economy equipped with mostly Chinese-made components. But the current deficit in sovereign determination and control over the Chinese economy risks sabotaging these efforts. The importance of China becoming technologically independent is mirrored in current US trade blockages, ranging from Section 301 tariffs to threatening a wholesale trade war (the first announced in June 2018 with tariffs on some 1300 Chinese goods valued at about $50 billion for US imports, and a second list valued at about $100 billion being prepared). In April, the US Department of Commerce suspended the supply of key chips to China’s leading telecom company, Zhongxing Telecommunication Equipment Corporation (ZTE), instantly paralyzing the company’s operation (before rescinding them shortly after under new US supervision of its activities). Another tech giant, Huawei, has also faced limits on its exports to the US (and several US ally states as well). In response, the Chinese government announced in June ‘special opening-up measures’ to further widen market access for foreign investment in twenty-two key fields including finance, transportation, services, infrastructure, energy, resources, and agriculture.
As events unfold, questions will be raised about just how much leverage China has. The one certain thing is that reliance on foreign supply and markets undermines national self-determination, as well as financial and cyber-security in an age of global standardization. Washington’s policing deals with China to protect American advantage alone negates the myth of ‘free trade’ that the Chinese state holds dear. Shocking inequalities in liberalization are demonstrated by massive agricultural subsidies in the West, and the blocking of Chinese FDI in the US and Europe.

All this is in spite of the major concessions China has made through its marketization of its state sector, both for WTO accession as well as currently in the form of its trade surplus (of which a huge trunk is attributable to foreign and joint ventures). The contrast between Apple’s astronomical profits and its Chinese subcontractors’ thin margins is notorious, not to mention the miserable conditions faced by Chinese workers assembling iPhones. Multinationals producing in China for the world market (while factored into Chinese GDP) also weaken China’s fiscal and monetary tools, which are already constrained by dollar primacy and attendant capital liquidity requirements. Although barely at a middle income level in comparison to other states, it is exceptional that China has become a net exporter of assets and wealth. While it will surely not return to the bad old days of its semicolonialism as some worry, China is indeed the only large economy that has permitted its sovereignty and security to be so seriously compromised. Introducing foreign ‘strategic partners’ into Chinese state banks with large shares as well as voting rights, for example, is an astonishing cession of control to foreign capital – capital which at times is even formally connected to foreign governments.

The second feature of the new Chinese globalism (though developed from such projects as ‘developing the west’ and ‘going out’ since the late 1990s) is more novel, and decorated with both nationalist and transnational or cosmopolitan slogans like ‘national rejuvenation’ and ‘common human destiny’. The mega-idea of the Belt and Road Initiative (BRI), first announced in 2012, is to create new economic corridors and networks linking over 70 countries, 70 per cent of the world’s population, and three quarters of known global energy reserves, by constructing highways, railroads, mines, pipelines, dams, ports and trading routes, using the image of ancient Silk Road by land and sea. Eurasian integration is extended to the Caucasus and Western Europe, while the maritime side of the BRI is to embrace the Indian Ocean and the Mekong and Oceanic nations, as well as Africa and Latin America. It aims to
export capital, commodities and entrepreneurship as well as broader social goods like schools, medical facilities, poverty alleviation programmes, and agricultural cooperation. As a state priority of both economic and political-diplomatic importance, the newly-founded Asian Infrastructure Investment Bank (AIIB), the China Development Bank, and other institutions support the BRI financially. And by pursuing ‘intra-regional local currency convertibility’ – making the Renminbi a common hard currency, beginning in Central Asia – the BRI also hopes to be a financial project that can pave the way for China to gain a footing under the dollar monopoly, while simultaneously yielding more influence on major international organizations.

But it was the economic imperative of channelling China’s excess capital and overcapacity that immediately explained the launch of BRI. The massive stimulus undertaken to protect growth and employment following the 2008 financial crisis triggered by the US subprime meltdown has had lasting consequences. Debt-financed overinvestment in the built environment and ‘forced urbanization’ on an unparalleled scale are explosive: ‘The Chinese who have absorbed and then created an increasing mass of surplus capital now desperately seek a spatial fix.’ The BRI, then, is an ideal representation of China’s position in a global economic structure in which any upward movement faces a contradiction between overaccumulation and underconsumption. As such, the Chinese project of investing abroad is both an economic necessity that stems from capital’s expansive tendencies as it searches for new resources and markets, as well as a politically and culturally inspired ambition to promote ‘globality, connectivity, equality, sharing and commonality’.

A SOCIALIST VISION OF GLOBAL EQUALITY?
Remarkably, the official discourse of BRI bears no trace of the internationalist legacy of the earlier socialist third-worldist tradition. A representative summary indicates five strategic changes in Chinese growth that follow from the conviction that development is enabled by the opening up of national economies for global integration by moving from: 1) a focus on foreign capital to a dual emphasis on both the inflows and outflows of FDI; 2) an export-orientation to encouraging growth in the volume of trade from both exports and imports; 3) opening the coastal areas to the coordinated incorporation of the inland regions as well; 4) trading within the WTO framework to more bilateral and multilateral FTAs; and 5) a ‘rule taker’ in relation to global governance to active participation in ‘rule making’. The BRI project, with its lavish
elaborations by mainstream intellectuals and inflected with a nationalist appeal to a youthful middle class, enjoys solid support in China.

Even more critical socialist arguments tend to be, at once, both defensive and wishful. Lured by such notions as growth for all, equal partnership, and shared prosperity and security, critics imagine aligning the BRI with local needs and designs across the globe through ‘people-to-people interactions’.

This would, apparently, nurture trust and peace as well as cooperation and interdependence, while enabling China to play a leadership role in pushing for a new world order. The key concept in this imaginary is a globalizing equality right to be applied to both domestic and international relations. The politics of equality, born of the Chinese revolution and its internationalist commitments, is what distinguishes the BRI from familiar stories of oppression, exploitation, and war-prone power rivalries. As an alternative to the capitalist world system of polarizing inequality among nations, a rising China with a global vision would lead a new politics of equality – equality in difference, equal recognition of diversities, and socialist egalitarianism with an international dimension. Most optimistically, uninfected by imperialist and colonialist intention and methods, China would counter the US-Japan maritime dominance in the region while reshaping the entire global system of unequal north-south divide.\(^\text{12}\) The significance of the BRI, on this interpretation of it, is not only material but also broadly political and spiritual: ‘It must not be a plan of territorial expansion but one of connectivity, exchange and communication, and a plan of transcending historical capitalism while recreating civilization.’\(^\text{13}\)

Another argument in a similar vein asserts that China has an advantage in the ‘real economy’, as opposed to speculative financialized capitalism, despite its own credit and asset bubbles. By defying financial imperialism ‘the most unnatural stage of decayed capitalism’, China can stimulate an international united front to fight the dominance of financial capital and its local comprador financiers.\(^\text{14}\) Since, according to this view, the expansion of the BRI is neither profit-driven, nor a contemporary version of the Marshall Plan, it can pursue productive socialization by means of automation, digitalization, and financial cooperation.\(^\text{15}\) The AIIB is put forward as China’s first attempt to form a post-Bretton Woods framework through which the international allocation of funds may serve both market and non-market considerations, resulting in peaceful co-development.

While Chinese lending involving both state and private commercial banks (currently at a low annual interest rate of 2-3 per cent for 15-20
years, including a grace period of five to seven years) entails foreign liabilities, at least the state lenders also conduct periodic evaluations to reduce or even cancel debts. Moreover, China rarely imposes IMF-type of conditionalities on borrowers. Equally true, however, is that ‘when providing loans and finance, the AIIB must remain flexible regarding labor and environmental standards’ in order to remain compatible with ‘the limited financial capacity of less affluent countries’. China is also strongly against adding labour protections into bilateral trade agreements.  

The ‘Chinese alternative’ would also be hard-pressed to identify any pillars of a socialist circle of commerce operational in an overwhelmingly capitalist global order. From its own collective memory, China knows only too well the catastrophe of colonialism, and just how impossible it is for the poorer countries to achieve the ‘surplus retention’ necessary for development. Moreover, unbridled business, clutching resources and making money, attract state as well as private capital, with inadequate public supervision at both dispensing and receiving ends.

Conspicuously absent from these sympathetic explanations is a class analysis of the Chinese state and its projected foreign relations. What is the class content of the BRI? Is it in the fundamental interest of the rulers and elites, Chinese and otherwise, or of the labouring and common people – unless it can be argued that these interests are broadly identical? Without a political and conceptual justification for the project in class terms, it is also difficult to refute the charge of China’s own ‘neo-’ or ‘sub-’imperialism, which, from a Marxist perspective, is intrinsic to accumulation and capitalization in a globalizing economy. At stake is regime legitimacy in uncharted waters; ultimately, the question of whether China can refashion globalization on its own terms cannot be answered without an answer to the prior question of what kind of society China is building for itself in the first place. Without a morally appealing domestic model, as the foundation for so-called soft power, any image China offers to the world will be tarnished. 

This is precisely where the country’s vulnerability emerges. Side-by-side with its immense economic achievements, its radicalized market transition has borne witness to severe social inequalities, environmental destruction, rampant corruption, and an ever more repressive atmosphere for the constitutionally protected rights of labour, ethnic minorities, and political dissidents left and right alike. As the super-rich and bureaucratic tycoons sit in the National People’s Congress, and anti-corruption campaigns end up strengthening autocratic power, socialism sounds
hollow inside and outside China. The fact that ‘maintaining stability’ takes the largest slice of Chinese national spending speaks for itself.\textsuperscript{18}

**CONFUCIAN UNIVERSALISM GOES GLOBAL?**

A highly influential traditionalist interpretation of China’s new globalism relies on an idealized Confucian conception of *tianxia*, or ‘all under heaven’. Unlike the conventional culturalist sinological conservatism that simply overturns communist negation of traditional Chinese values, the *tianxia* discourse is politically conscious while simultaneously crafting a depoliticized language of universal harmony. It presents an ethnically and religiously insensitive cosmology of a grand amalgamation of races and cultures – within fluid identities and frontiers, without stable or definable boundaries. The constant internalization of the external results in a boundless realm of *wuwai*: literally, ‘nobody/nothing being outside’.

‘Inventing world politics’ anew, *tianxia* in the contemporary era signifies a globalist worldview that understands human society all inclusively, and is thus at odds with the anachronistic Westphalian nation-state system. It also confirms the normative ideal of moral rule by the ‘mandate of heaven’, underscoring the ancient wisdom of equal sharing of land/wealth, and the ‘people as the foundation’ of government (Mencius).

As an ‘ontology of coexistence’ and a worldview of ‘compatible universalism’, *tianxia* is claimed to have transcended the Kantian doctrine of perpetual peace.\textsuperscript{19} This blending of an old harmonious imaginary with a new blueprint for a silk road makes it impossible to repeat colonial conquests and exploitation. A unique spatial politics, this is couched in an apolitical narrative of ‘civilization’ and ‘empire without imperialism’ as a cure for the immorality of global ills. The renewal of a splendid pre-modern system can catalyze a groundbreaking reformation that transcends the capitalist and imperialist logic of nation states. China in the twenty-first century, carrying the residues of its former self – as an empire, or civilization, or in any case a worldly entity – might well ‘slip loose’ of its boundaries once again, all for a good cause.\textsuperscript{20}

As traditionalism is inflected to serve a legitimizing function, China’s new globalism is at pains to appear as an attractive path to enhancing southsouth cooperation and equality among nations in a non- or post-capitalist fashion.\textsuperscript{21} But this is a fantasy. For one thing, it was repressive hierarchy rather than equality that characterized the Confucian social norms as well as the Sino-centric regional order. Equality existed only in the demands of peasant uprisings and utopian social thinking. For another, the claim that the ‘civilizational state’ was non-hegemonic is questionable, not only because imperial territories had doubled under the Qing rule, but
more subtly because of Han domination. Even minority dynasties protected their own elites, while pursuing reverse assimilation toward the majority. It was not until the communist revolution that the issue of ethnic inequality was directly addressed through a socialist ideological and institutional reorganization.

Historically, the Chinese ‘pacified empire’, in Max Weber’s depiction, rarely engaged in military aggression perhaps due to an inward-looking worldview and agrarian-based physiography. By and large, ‘in sharp contrast to the European powers and their colonial-settler descendants, China did not seek to construct an overseas empire’. But neither was historical ‘China’ ever singularly intelligible without floating frontiers, as it continued to absorb new territories and vassals. This inheritance of the modern zhonghua minzu or Chinese nation could be as much a blessing as a curse. If once categorically distinguishable from the capitalist colonial powers, it is no longer obvious that Chinese capital abroad today is not primarily motivated by profit and resources, or is a convenient diversion from domestic discontent.

China’s ‘farewell to revolution’ and its international repositioning to court the US constitute an intertwined political logic. Domestically, ethnic tensions have sharpened with invading market forces, which have changed local demographic composition and eroded minority cultures. External agitation and state oppression make things worse. Globally, as the third world is replaced with ‘emerging markets’, the aspiration of rectifying an unjust world system has vanished. The fact that revolutionary China’s double mission of overthrowing foreign domination as well as Han chauvinism at home has now indefinitely halted also indicates the failure of tianxia-ism, or Chinese universalism, as a rival to realist theories of international relations. This is not so much because nations and their unequal or conflicting relationships are formidable realities as because nationalism and inclusive universalism are acutely different normative frames. However unwillingly, the image of Pax Sinica is tainted by the impossible thesis of a ‘clash of civilizations’. Furthermore, Confucian universalism, as ‘the art of co-existing through transforming hostility into hospitality’, is toothless when facing a global order sustained by a powerful capitalist industrial-financial-military complex. The most glaring weakness of traditionalist theories, then, are their neglect of the state and the unavoidable need to win sovereign, autonomous, and democratic popular power across the developing (and indeed developed) world. Capturing state power is a prerequisite for achieving significant progressive goals at the global level.
From a modern socialist point of view, Confucianism, however modernized, is pre-socialist (and non- rather than necessarily precapitalist). Its conservative teachings, from belittling women to endorsing gentry-scholar elitism and undemocratic hierarchies, render it hopelessly reactionary and obsolete. Its most radical element – the moral right and legitimacy of rebellion against tyranny – is convincingly suppressed in its official promotion of a ruling ideology. Sophisticated and eloquent though it may be, the philosophy of a uniformly benevolent, ascendant, globalizing Chinese tradition cannot rival either liberal or realist theories of great power politics, which also extend into the public sphere and mass media. Nothing less than the practical renewal of socialist internationalism presents a real alternative. To be sure, traditional culture comprising a rich array of intellectual resources can be re-appropriated, from the nature-friendly idea of unity between heaven and people and ‘methodological relationism’ over individualism to the wisdom of economic management, market regulation, and disaster relief. But it is the ‘revolutionary break with the past’ that has defined China since 1949, completely recasting its internal and external relations. In this light, Confucian revivalism signals a politics of defeat and escapism. The bizarre scene of party secretaries kneeling to a statue of Confucius in an ancestral temple or an educational campus indicates a political crisis. It is a sign of ideological bankruptcy that official China should have found it necessary to appeal to an ancient saint.

LOST IN ACCUMULATION: CRISES AND ILLUSIONS

Neither a socialist reinterpretation of China’s new globalism as heralding a monumental shift in global capitalism, nor a neo-Confucian universalism envisioned to be reordering international relations, can overcome the contradictions in China’s current position: China is simultaneously a beneficiary and victim of market transition, exploited by foreign capital and multinationals while arguably also engaged in exploitative relations with even more peripheral states; suffering dependency on foreign markets and technologies while also exporting capital and labour; disciplined by global powers yet possessed of a rising economic and diplomatic influence that is seen as a threat by competitors and neighbours; and espousing a nationalist discourse that champions globalization and free trade. The contrast between its socialist rhetoric and substantially neoliberal-style policies is also striking – especially given that the latter includes a pro-management labour regime, and gross inequalities in basic public provision and social services.
These two romantic approaches share an additional fundamental flaw. They leave the developmentalist core of Chinese globalism intact, at least concerning its sustainability in terms of its resource-environmental, financial, and foreign relations implications. It is only too easy to liken China with the old colonizers. However, as the world’s largest importer of a variety of essential commodities, China is indeed in the game of a global scramble for resources, from minerals to land and water. This, in turn, increases carbon emissions and pollution, worsening climate change and other ecological problems. It is dubious that the BRI can be environmentally conscious as geography and geology are being altered. Joining other global buyers, Chinese demand affects price and stock volatilities in both global and national markets. China’s macro financial system also suffers a debt problem at both the central and local levels, although only in its own currency. The same pattern is repeated by a ‘cheque-book diplomacy’ that risks repayment crises and bankruptcies. More generally, the dystopia of GDP growth-at-all-costs, ‘creative destruction’ of organic communities and the eco-world, and the predictable panorama of bubble bursting and bank runs are neither morally sound nor practically viable.

The constant need for new spaces to accommodate endless accumulation is also geopolitically perilous. The scope and manner of China’s global adventures is a central question of realpolitik. For capital to source profits and rents globally, as it proceeds with its concentration, centralization, monopolization, and financialization, it needs to be backed by military strength. The existing world system cannot tolerate another growing economy of China’s size, or the emergence of new global powers. The imperialist law of value requires technological monopoly and protection of a rentier oligarchy. Since the BRI is packaged in liberal ideology, its silky discourse may superficially minimize certain political sensitivities, but it cannot eliminate them.

Despite China’s devotion to market globalization in line with the capitalist world order, for those who retain a perpetual cold war mentality, any prospect of a ‘communist’ China becoming a financially and technologically independent economy is anathema. Yet even merely ensuring its supply of energy appears unrealistic without some Sino-US parity in geopolitical capacities, as more than half of Chinese imports and exports pass through straits and waterways that are within reach of the US Navy (and that the West has controlled for centuries). Under the Pentagon’s strategic encirclement of China, the economic and security objectives of China disturb the American-secured regional balance.
Tensions have risen in the Himalayas, the East and South China Seas, and other more distant places. The Chinese geo-strategic notions of a ‘String of Pearls’ in the Indian Ocean and the ‘Nine-Dash Line’ in the South China Sea are fiercely contested. So far the Chinese objectives of ‘strategic mutual trust’ and ‘win-win cooperation’ remain elusive.

Instead of believing in its destined ‘marriage’ to the US, as declared by more than one government minister in Beijing, China should break free of American containment by guarding its hard-won independence. Expanding investments overseas, it needs to reinstate its founding principles of egalitarianism and democracy as the basis for any foreign policy. If Chinese economic and financial foundations lack the ability to fend off turmoil in global markets; if basic needs are still unfulfilled in national food sovereignty and securely funded public services for all; and if the poor, migrants, and certain minority groups are deprived of full citizenship and welfare rights; then are there not less wasteful and less risky forms of development that should be pursued instead of investing massively abroad? Operating globally may also escalate a vicious race to the bottom in addition to depleting resources, draining reserves, piling up debts, and spreading pollution through both production and consumption.

The point is that China doesn’t need growth at such costs, especially when facing immense tasks at home – from resolving tech-bottlenecks to advancing toward its pledged ‘ecological civilization’. Greener industries can, in turn, assist agricultural productivity on the basis of collective land ownership and cooperative family farming. A new type of moral economy of rural and urban commons would aim at production for need rather than profit through a socialized market. This path would be both more ambitious and more realistic, if only because in the whole background is the incurable disease, historical impossibility, and structural inability of capitalism to provide for the vast majority of the world’s population. The colossal destruction entailed by plundering land and people through the system of endless accumulation and crisis forces on us, more urgently than ever before, a non-choice as sharp as ‘socialism or barbarism’.

This is by no means to repudiate internationalism. On the contrary, the argument is that without a domestic class power oriented toward socialism, no global vision or foreign policy can be truly internationalist. Reorientation within China is required before it can reshape globalization as an alternative to, rather than enhancement of, the capitalist global system. Any socially and internationally credible project here must also be part of an international front of popular struggle. The question would then be how China might forge a new path to reconstruct the global economy by organizing a scheme to aid national development and
transform socioeconomic conditions in the global south in particular, while heeding the warning against forming a ‘subimperialism’.

In the most robust attempts to blend socialist and *tianxia*-ist ideas for China’s new globalism, the premise is the ‘unity of three traditions’ – classical Confucianism, Maoist socialism and Dengist market pragmatism. This is a straightforward narrative of China ‘standing up’ under Mao, ‘getting rich’ under Deng, and ‘becoming powerful’ under Xi. The confidence in offering the world a ‘Chinese solution’ and ‘Chinese wisdom’, as supporters see it, has a great deal to do with the depth of China’s cultural tradition. In one blatant formulation, Xi’s new era is ‘not adding Chinese characteristics to an already defined “socialist framework.” Rather, it uses China’s lived experience to explore and define what, in the final analysis, “socialism” is.’ And this definition is to be ‘universally recognized throughout the entire world’. Indeed the Chinese outlook has always been worldly and universalist, as shown in historical East Asia where ‘the *tianxia* order and the tribute system made up a universal system of diversity within unity, capable of absorbing different peoples, cultures and religious beliefs’. To expand such a Chinese civilization is ‘the greatest historical mission of the Chinese people in the Xi Jinping era’.

In another interpretation based on a more profound analysis of world history and spatial politics, the concept of ‘supra-state’ is introduced as a creative agency to delineate China’s historical potential. Critical of ‘the loss of meaning, abstraction of the life-world, and the rationalization of unequal relations’ entailed by capitalism, this formulation relies on culturalist foundations to articulate a different political vision. The Chinese ‘supra-state’, based in a vast, complicated, and boundless civilization, begs the ultimate question of how to spatially and substantially define ‘China’ and its everyday internal and external relations. Answering this question requires a shift in our conception of history, so that the BRI can be situated within a civilizational imaginary. Given that China has evolved into an intrinsically ‘supracivilization of civilizations’ against the singularization or homogenization that breeds conflict and oppression, ‘the practice of One Belt One Road can reestablish mutually respective social relations in a dynamic process’. It is thus a plan of global communicative inter-subjectivity, blending a traditional civilization and modern socialism, particularity and universality, difference and equality. It is ‘a plan of great harmony that differs from capitalism’.
Here the leading Chinese scholars have deconstructed the traditionally intertwined concepts of socialism and internationalism – even rendering the latter conceptually impossible within a discourse of an all-encompassing civilization that invalidates the international. As such, ‘class’ is analytically nullified and cannot animate politics. The party theory of ‘three represents’ to accommodate the pluralized values of a market society proposed in 2001 is to ‘allow the CCP to represent the political interests of newly arisen social strata, successfully avoiding the crisis of representation that would occur if the party were only to represent the interests of workers and peasants’. This observation is astounding, coming as it did at the very time when traditional socialist conceptions of representing the labouring classes were in devastating retreat. The replacement of a classless cultural ‘nation’ as what is to be represented by the CCP is grounded in ‘its indigenous, national nature, its authentic Chinese nature, rather than in the Party’s class nature’.33 At the same time, China’s desire to make a contribution to humanity is believed to ‘prove that the great revival of the Chinese people is not nationalistic, but cosmopolitan’. Again culturalist in essence, the roots of this cosmopolitanism are in Confucian universalist declarations that ‘when the Way prevails, tianxia is shared by all’, as well as in the communist belief in human emancipation. Displacing internationalism, this conflation of Confucianism and communism turns the stigma of empire into an advantage. Superseding nations and other societal units, the notion of a ‘supra-state’ might be compatible with those of the ‘global’, ‘transnational’, and ‘cosmopolitan’, but not the ‘international’.

Unexpectedly perhaps, anti-capitalism is then displaced by the struggle for global supremacy, and the politico-economic opposition between socialism and capitalism is converted into the culturally-based shift of the global centre of gravity toward the East, bringing western hegemony to an end. In this perspective, any criticism of imperialist or expansionist menace is precluded, especially given that no territorial dispute is insolvable if ‘shared sovereignty’ and other innovative institutional means can be explored. The fact that China is being globalized, and that the participating capital in the BRI is no longer limited to Chinese capital, does, to say the least, further complicate the issue.

THE SPECTRE OF SOCIALISM

Does China have a global grand strategy to achieve socialism? Officially, the country is celebrating the 40th anniversary of its initial market reform this year. In retrospect, undoubtedly the reforms have been a march toward capitalist global integration, rather than a temporary strategic
retreat analogous to the New Economic Policy in Soviet Russia nearly a century ago. Many see China’s presence as a commanding fact on a planetary scale – not just in terms of the betterment of the lives of one fifth of the world’s population, but even in the sense that the epoch of ruthless capitalist dominion over miserably subjugated peoples seems to have come to a close.\textsuperscript{34} The irony, however, is that the resilience of capitalism is nowhere better vindicated than in China’s participation in the system. The People’s Republic is losing its original substance and distinction along the way, as the growth model it champions becomes ever more socially and ecologically indefensible. With the ruling ideology (whether in its deformed Marxist or Confucian discourses) as well as social consciousness so entrenched in the fetishisms of commodities and money, China has remade itself into an unlikely carrier of the torch for neoliberal globalization with authoritarian and bureaucratic characteristics.

The transformation of Communist China from outside challenger to dutiful participant in global capitalism marks a world-historical defeat for socialism no less significant than the collapse of the Soviet Union. Yet, these former ‘two great hybrids’ in the process of modernization\textsuperscript{35} need not remain stuck where they have arrived. In particular, the Chinese success in capitalist terms means that a reorientation towards reviving socialism in China would inevitably affect the whole globe. Socialism, after all, is the only assurance of equality against chauvinism and expansionism. The theoretical indivisibility of socialism and internationalism means practical incompatibility between domestic departure from socialism and foreign advance in line with internationalism.

China’s search for its future is wide open. It depends on the development of a transformative politics from above, which is not totally inconceivable so long as there is a strong impetus for this from below. The potential for such a political fusion may be seen in the ongoing movements of striking workers and protesting veterans, villagers and civic activists, as well as young Marxist reading groups and bloggers defying censorship and repression. Any project of reclaiming the party and state can critically draw on still active Chinese revolutionary and socialist legacies. Only such a project will allow China to take the long view, and lead the way in restricting capital, socializing monopolies, and de-financializing economic management the world over. Socialism and internationalism remain the two indispensable aspects of contemporary Chinese ambition whose success will ultimately be measured by overcoming capitalism and imperialism.
NOTES

1. Such a front should encompass ‘the peoples of the socialist camp, of Asia, Africa and Latin America, of every continent of the world, of all the countries in love of peace and all the countries suffering from aggression, control, intervention and bullying from the US’. See: Mao, ‘The Chinese People Firmly Support Patriotic Struggles for Justice by the Panama People’, People’s Daily, 12 January 1964.


3. Also suspicious of US interest in a Soviet military attack on China, Mao confronted Henry Kissinger in one of their meetings in 1973 and proposed a ‘horizontal line’ of the US, Japan, China, Pakistan, Iran, Turkey, and Europe to counter the Soviet Union. See The Chronology of Mao, Vol.7, Beijing: Central Document Press, 2014.


17 Joseph Nye’s concepts of soft and hard power and notions of sharp and smart powers are fashionable in China’s international relations discourse. Nye calls for democracies to respond to China’s sharp power, which he sees as ‘information warfare’ that ‘helps authoritarian regimes compel behavior at home and manipulate opinion abroad’. ‘China’s Soft and Sharp Power’, *Project Syndicate*, 5 January 2018.


21 For Giovanni Arrighi, the East Asian models of growth are perceived as alternatives to Western models and can be widely emulated. China with a commitment to a more equal global order would in particular reorient the world. See his *Adam Smith in Beijing*, London: Verso, 2007.

22 Max Weber, *The Religion of China*, trans. and ed. by Hans Gerth, New York: Free Press, 1964 [1951]; Peter Nolan, ‘Imperial Archipelagos: China, Western Colonialism, and the Law of the Sea’, *New Left Review*, 80(March/April), 2013; David Schweickart also notes that China, ‘unlike the major European states, has not tried to colonize areas of the world’s poorer or weaker than itself’. And, ‘unlike pre-World War II Japan, it has not waged ruthless warfare against its neighbors. … Unlike the United States, it has not set up military bases all over the world. … Unlike the Soviet Union, it has not engaged in a massive arms race with the world’s other ‘superpower,’ nor has it installed client governments in nations on its border.’ See: *After Capitalism*, Lanham, MD: Rowman & Littlefield, 2011, p. 174.

Zhao Tingyang, ‘Can this Ancient Chinese Philosophy Save Us from Global Chaos?’ 


Wang Hui, ‘Civilization between the Pacific and Atlantic,’ a synthesis of his earlier discussions of nation vs. empire, ‘region as method’, and bridging ‘society of intersystems’ and ‘supra-societal systems’ (borrowed from Marcel Mauss). He uses China’s ethnic minority regions as an example to show how an intercommunicative and inclusive inter-systemic society can be undermined by inequalities mediated by market forces of augmenting trans-border production and consumption (‘Equality of What? II’, *Beijing Cultural Review*, 12, 2011).

Jiang Shigong, ‘Philosophy and History.’

If the Chinese reforms in the 1980s can be seen as a gigantic NEP ‘determined to maintain the political independence and achieve the technological autonomy of the country, to enable China to advance towards a socialist society and alter the balance of world power’, then the post-1989 radicalization of reform has thoroughly changed this course. David Broder, ‘Eastern Light on Western Marxism’, *New Left Review*, 107(September/October), 2017, 145.