



Employees at work on solar photovoltaic modules at a factory in China's Jiangsu province. As capitalism and liberal democracy are mired in problems, Chinese leaders naturally want to peddle "the China solutions" and become a leading force on the world stage. However, says the writer, the closed "civilisational monologue" within China may lead to their misreading of the world. PHOTO: AGENCE FRANCE-PRESSE

China is forging its own path. Will others follow?

China has the means and reasons to distance itself from the Western-led capitalist system. But global leadership calls for more than spreading its largesse around.

Lance Gore

China has always been a civilisation unto its own. Its isolation at one end of the Eurasian continent is perhaps the reason that it is the only one of the four great ancient civilisations that have persisted to this day. The Middle Kingdom mentality is deeply embedded in the national psyche.

The onslaught of the modern Western industrial civilisation shattered its hitherto unquestioned sense of superiority. But at the same time, it has planted in the national psyche the burning desire for renewal, resurgence and regaining its past grandeur.

After 180 years of struggle (since the first Opium War) to catch up, the civilisational nation is finally in a position to stand its own ground, reassert its own identity, and exert its own influence on the world again. It wants to engage the world on its own terms instead of being forced to at gunpoint – now that it is capable of playing the game of modernisation equally well.

REASONS FOR TURNING INWARD

China clearly has a choice to turn inward again without the fear of being defeated again by foreign powers, given its military prowess. Neither does it need to worry about stagnation – it has learnt enough during the four decades of reform and opening up about development, foreign trade and technological innovations.

But the possibility of China turning inward has other reasons. Externally, the Communist Party-ruled state now faces a much deteriorated international environment. The trade war and technological decoupling pursued by the United States, plus the revamping of global supply chains following the Covid-19 pandemic, have seriously reduced the opportunities as well as the benefits of its engagement with the outside world, while accentuating its external vulnerability.

China's new concept of "dual circulation", through which it repositions itself in the changed international situation, is inherently a more inward-looking strategy.

Furthermore, China is not in a position to lead the world despite the ambitions of its leaders. The alluring picture of global unity under China, as painted by some Chinese scholars steeped in the traditional Sino-centric mindset, is unrealistic due to its lack of appreciation of the mentality of a world shaped by liberal values.

In the world today, the necessary basic prerequisite for leadership is approval and following from around the world. In other words, other countries and people elsewhere have to accept your values, systems, practices and policies voluntarily, to the point that they consciously emulate and learn from you.

Now then, let's look around. How many countries and people around the world approve of China's values? How many are envious of and crazy about the Chinese system? At least for now, any such fans are a very small minority.

Consider the following Communist Party of China (CPC) tenet: "In the east, west, south, north and centre, from the party's affairs and the government to the military, citizenry and academia, the party holds leadership over all."

Something like this alone is very difficult for the rest of the world to understand, much less accept. When the Communist Party's organisation is forced upon private enterprises, foreign corporations, non-governmental organisations and non-profit organisations, what people feel are fear and an unpleasant sense of overbearing domination.

The domineering approach to governance is hard to swallow for the rest of the world. It may be well suited to China's circumstances, and prove effective in getting things done in China as the core of a governance model with Chinese characteristics. Nevertheless, it can hardly win the approval and acceptance of the world, at least for now.

The same can be said of talk of

"unifying our thoughts, will and actions", or "absolute loyalty" to a particular person. To the rest of the world, these feel totally out of place for a modernised society. As long as China is unable to come up with a more appealing model, this Asian power can hardly be a standard-bearer for the world.

THE PATH OF 'COMMON PROSPERITY'

For China to build socialism with Chinese characteristics, it needs to have some independent space. It needs to be decoupled from the capitalist system to some extent, so as not to be restrained and impeded by it.

Through decades of economic reform and opening up, China has gained much in connecting with the economy of the capitalist world, such that its national economy was able to free itself from want and take off successfully. However, the process has also caused China to deviate from the path of "common prosperity", downplaying socialist ideas and injecting a capitalist soul.

In terms of the scale of the rich-poor disparity, China is definitely sliding into a capitalist path. It is, in the words of Deng Xiaoping, on the "deviant course" of polarisation. The trade war and technological decoupling moves by the US have effectively provided the CPC with the occasion to change course.

The numerous demands put forth by America in the trade war, especially those pertaining to structural reform, are essentially asking China to give up on socialism and be completely converted to capitalism. China, on the other hand, insists on keeping its socialist system, as well as the policy means and systemic capabilities unique to it. The differences between both sides cannot be reconciled.

That China does not give in shows that the Communist Party has not forgotten its original aspiration. However, not giving in means one thing: China will not participate in the global economy with total abidance by the rules of capitalism, and so it will necessarily be resented, rejected and pushed aside. Decoupling is therefore exactly where the general situation is heading towards.

In order to achieve common prosperity, China must retain some non-market means to regulate distribution. Should China be completely converted to capitalism, its whole-nation systemic capabilities to "do great things with concentrated power" would disappear without a trace. That is exactly what America hopes to achieve by waging the trade war – to eliminate China's "unfair advantages" in competition.

But what are the socialist principles of distribution? How should China walk the path of common prosperity?

Through four decades of economic reform and opening up, being engrossed in jacking up economic growth and catching up with the developed countries, the

CPC has not been able to give such issues serious consideration. All this time, capitalist ideas and systems were flooding into China, diminishing the room for socialism and threatening the legitimacy of this founding ideology. As people got used to equating the Western systems and approaches with modernisation, seeing them as "best practices", the reformers were always looking to the West as their example.

Over time, the downside of capitalism came to erode Chinese politics, economy and culture to a staggering extent. Bigwigs in the literary and artistic circles, moneybags of the commercial sectors, important government officials and underworld kingpins grew full of themselves, tossed money around like it was dirt, and showed no regard for the common folk. Casino capitalism has spawned many undesirable social trends. A disposition of impatience and shallowness was the order of the day.

The financial crisis that shook the West in 2008 sounded an alarm for China, such that the Chinese no longer put their faith in the West blindly and look to their own road to development.

But what exactly is socialism? How should it be practised? Apart from the exhortation to "follow the party's leadership steadfastly" and a focus on developing the state-owned economy, hardly any solid, well-argued idea has been articulated so far.

The trade war gave the party the impetus to seriously reconsider this fundamental issue. The Covid-19 pandemic came at a time when China was in the middle of a strategic shift back to socialist common prosperity. The trade war greatly heightened Chinese nationalism and anti-West popular sentiment. The hype in the official propaganda of Xi Jinping Thought and the tightening of censorship are creating a separate universe of discourse within China, with less and less common vocabulary with the dominant discourse outside the country.

This closed universe of discourse, furnished by the vocabulary supplied by the party-state only, may well lead to a premature resurrection of the "Middle Kingdom mentality" mired in self-appreciation with less and less interest in the outside world.

THE ROAD AHEAD

These two shifts – the policy shift to common prosperity and the mentality shift to closed nationalist discourse – may go a long way in charting China's future course. The pandemic offers a supportive environment for them to take root. China turning inward has all the conditions going for it. But how will it fare in this new direction?

Even limited decoupling will put great pressure on China and cause it to lose many opportunities and advantages it used to enjoy. But the Asian powerhouse has a lot going for it too. It has a sturdy economic foundation, including an abundant

accumulation of finances, along with comprehensive systems of technology, talents, and research and development, not to mention the largest market on the planet. China boasts the most complete range of industries in the world. Most of the raw materials it needs come from Third World countries, and the Third World will never shut China off.

The developed countries of the West are not monolithic, and they all need the enormous Chinese consumer market, as well as China's cooperation in matters of global governance. For this, they will maintain exchanges with China. Thus, compared to the Soviet Union, China enjoys a great deal of room for manoeuvre. By maintaining a certain level of independence, it will be able to advance or retreat as it desires. But problems may arise from one area: when China engages the world on its own terms as part of its national rejuvenation or regaining its past grandeur.

As capitalism and liberal democracy are mired in problems, Chinese leaders naturally want to peddle "the China solutions" and become a leading force on the world stage. However, the closed "civilisational monologue" within China may lead to their misreading of the world.

When the current regime abandoned Deng Xiaoping's maxim about "keeping a low profile, biding our time", they also forgot Deng's other injunction: "Never take the lead; it's a basic national strategy." This latter bit not only shows greater foresight, but is also more in touch with reality. That's because, fundamentally speaking, "socialism with Chinese characteristics" in itself implies a state of being different from others. It entails doing things in one's own way, a scarcity of approval and followers.

Given such a premise, even for all its wealth, China is still short on rallying power. Pouring money into other countries may not necessarily earn their appreciation. In fact, to become a benefactor to others without truly winning their approval would only cultivate ingrates.

Even if it does take the driver's seat, China will not be able to lead well because of its idiosyncrasies. Historically, China's destiny has always been to solitarily attain excellence. For it to seek also to uplift the world along with itself now would be to try too hard and go against its own nature. This could lead to humiliations of a different kind than those in the "century of shame" when it does not work out.

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