

Superpower China?

[Translation of an article by Renate Dillmann, author of *China: Ein Lehrstück*, Hamburg: VSA Verlag, 2009; from *Junge Welt*, December 14, 2009]

In the early 1970s, the socialist People's Republic carried out a shift in direction of world-political significance: it made contact with the US, the leading power of what until then it vigorously attacked as the imperialist camp. As a result, the US could put the Soviet Union under more pressure in arms policy. Above all, however, the US succeeded in integrating China – which, before then, had defiantly and erratically stood against world capitalism with its doctrine of the “inevitability of war” between imperialism and socialism and since 1964 possessed the atomic bomb – part of the way into its world “order.” With the (re-) establishment of bilateral relations with Washington in the middle of the Vietnam War, and despite the U.S. military presence in South Korea, Japan, the Philippines, etc., Mao signaled his willingness to adjust to a leading U.S. role in the world and in the Pacific. Conversely, the United States in turn accepted an atomic-armed People's Republic as a regional and major power and shortly afterwards accepted that “Red China” occupied a seat previously awarded to the U.S. ally Taiwan on the UN Security Council.

The USA therefore made the People's Republic of China the offer of a place in “its” world – on the condition that the Chinese party leadership reconcile itself with what goes on in this world: 1. free trade between the states of the “free world,” over which the United States directs some form of supervision; 2. implacable hostility between the Western and the Soviet camp, from which the People's Republic was sheered away for good. Of course, the offer of the former Nixon-Kissinger partnership was connected with the desire that the integration of the country should ideally lead to its subordination. The US therefore flanked the newly-opened relations with a few economic offers – in the hope that the economically not very stable country would immediately be put into exploitable dependency.

For its part, China decided to assert its national interests henceforth in cooperation with this capitalistic world and all its – until then reproachfully indicted – dirty deeds. It treated the calculating recognition which the USA offered – with all due respect to the American superpower! – as an opportunity to rebuild itself and grab a recognized place in the hierarchy of great nations, thus to assert itself in the competition of the imperialist states and not in the fight against it. For this, China has since then supplemented the political turn to the west with its economic opening.

Drawback for the West

The old “Middle Kingdom” has created in the past 30 years its state-initiated and -directed capitalism, working its way up to one of the few major economic nations in the world – a quite remarkable special case in comparison with the “normal outcome” of a developing country. While usually, according to the logic of business and force, the opening of relations in every way with capitalist nations regularly leads to one-sided economic dependence and fundamental restrictions on any political scope of action, it obviously makes a crucial difference to enter into such an endeavor as the largest developing country in the world. The corresponding gigantic interest of the international business world (and their competition) ensured for an otherwise unusual readiness to accept the conditions of access decreed by the Communist state party. Once successfully “initiated,” an “original accumulation” took place – which, “flanked” by a lot of state force, created a general basis for capitalistic profit production whose results formed the starting point for the continual expansion and propagation of profitable business – and in a hitherto unknown magnitude. Even if the capitalistic boom has up to now mainly seized China's east coast (and not yet generally) – the

amount of profitable commodity production taking place there has to this day already upset something in established world capitalism.

This is, on the one hand, ideal for western companies because Chinese capital accumulation presents a good basis for more of its own business. On the other hand, this is not quite so favorable because this capital is by now acting exactly like the western, thus it increasingly appears as a competitor locally and by no means remains in its ancestral homeland, but swarms over the whole world and assaults the local markets which were really reserved for the sale of “our” (made in China) commodities.

So the same thing that has made China so attractive to the west and was seen in times of stagnating or shrinking world business as an enormous, still developing potential for business growth – its size as a source of enrichment – from the standpoint of the western leading nations now turns out to be something of a drawback. Not in the sense that the numerous capitalistic speculations on the Middle Kingdom would not rise or rise enough. Quite the contrary: Western entrepreneurs have achieved a successful business in China and have therefore increasingly expanded it. But this means exactly in reverse: if capitalist growth gains momentum in such a gigantic country and a state leadership like the Communist Party creates it, mobilizes the country and its people for it as well as keeps them under its control, foreign capital becomes the means for its national advance. The entrance into the imperialist world order has enriched the nation, making it a major competitor and strengthening the political administrators of the Chinese economy, instead of weakening it and increasingly consigning it to political extortion and foreign control.

A new imperialist power

In doing so, China's politicians have acted in the consciousness that solely because of the sheer size of their country they rule over a potential world power that they want to help finally regain the place “entitled” to it. That this concern enters them into an international hierarchy of power in which the USA calls the shots has scared them just as little as the prospect that asserting themselves in this world of business and power requires various dirty deeds. In any case, these national communists never naively misunderstood the Americans' invitation to participate in their world order. From their otherwise no longer so fashionable ex-chairman Mao they have by all means realized that “power grows out of the barrel of a gun,” that the role of a country in the world above everything else depends on the means (of violence) which it can mobilize to be able to impose its own interests on other states.

In this respect, it has not surprised the political guard in Beijing that the very economic success of their country has ensured some new antagonisms and sharp tones in regional as well as world political scenarios. Just as little does it surprise the established order of world powers, who notice the incompatibility of so many Chinese competitive efforts with their interpretation of the “global rules of play” and have put the “solution” to the so defined “conflicts” on the agenda. They find it unacceptable when a “poor” country so quickly works its way up to an export-, credit- and capital-exporting nation – also a nice clarification about how the term “developing country,” once so popular in the West, was never intended in any case! American politicians exactly calculate how this “development” should proceed and see themselves greatly disturbed by an “emerging world power China.”

By contrast, the People's Republic self-confidently asserts its “right to peaceful development.” In addition to the “progress” that the political class of the country sets in motion internally, Chinese politicians are active around the globe with a whole slew of external economic as well as political initiatives that could be drawn from a “textbook on imperialism”: they use the growing economic resources that they now possess as the dependence which has already appeared for other states all over the world from business with China, with the determination to build up and expand against the vested economic interests of the established capitalist

major powers, whether in Asia, Latin America or Africa. They initiate political cooperation, which establishes in long term perspective – and on the basis of an increased Chinese military power which can be materially responsible for the falling due protection promises as extortion maneuvers – valuable positions in the strategic power competition, as with Russia and the central Asian states in the framework of the Shanghai Cooperation Organization (SCO).

Superpower USA challenged

The established guardians of the system of international competition obviously notice that the newcomer in capitalistic world business annoyingly spreads everywhere. Needless to say, the USA sees itself challenged above all others. In the end, they have set up the world order to their benefit – and in this sense, China is also invited to participate. Not just since today are the results accompanied by divided emotions in Washington. American politicians find it outrageous that Chinese goods “flood” U.S. markets – even if it is America's own global players who produce these goods in China, thereby raking in profits and keeping down the inflation rate with these cheap imports. They find it sinister that Chinese foreign exchange earnings buy U.S. Treasury bonds on a massive scale – even if China's dollar purchases ultimately finance, of all things, the wars by which America wants to secure its leading role in the world, or at the moment prevents the dollar from a completely different slide. On the other hand, they want to continue and even boost the use of the country as a source of enrichment for the US; but the associated effects of continually increasing Chinese economic and military means of power should by all means be kept under control.

For this, the USA brings all the “conventional” means of attack which it has created in the supra-national organizations for regulating its advantages on the world market (complaints about dumping, an “artificially” low Yuan, etc.) against the newcomer in the economic arena. And not only this. The United States also constantly complains about the state of human rights and democracy in China – meaning: the USA wants the official permission of government-critical voices, NGOs and opposition parties which it could instrumentalize for its concerns. And significant military steps are necessary, purely as a precaution, to condemn China's catch-up efforts in the area of weapons as moribund, be it with a missile interception program, be it with an advanced geo-strategic encirclement.

At the same time, however, the US position on China always also contains a – decidedly ambiguous – offer: Beijing may, precisely in view of the “imminent deterioration” of the nevertheless so useful relations, comply instead, take into consideration the reproaches of the world power, align itself with Pax Americana and play a useful, but then also approved, role for America. Obama has actually bombarded the Chinese leadership with offers in this sense. He has spoken to the Communist leaders in Beijing of his appreciation for their economic and political power in order to stir them to integration and subordination within his, the U.S., world order – a rather ambitious ideal for imperialist power.

The fact is that the U.S. needs China as much as they can't tolerate the People's Republic. Its businesses need the exploitation of Chinese labor power, the import of cheap commodities, the export of capital to China and at the same time it complains that all this hinders U.S. business and takes away jobs; Washington needs China's dollar purchases, and suffers from this dependence; it even needs the state power in China so that a regulated commercial life takes place there – and at the same time, also finds its power to be intolerable.

“Multipolar world”

It is therefore not surprising that China takes the rather “unilateral” will to world order of the USA not only in general as a restriction on its freedom of action, but relates it explicitly to an attack on itself and its rising interests. And China leaves no doubts about the fact that it will

not accept this. Previously, the Chinese Communists once accused the world – the “U.S.” and later the “social imperialism” of the Soviet Union – of wrongfully “dominating” the interests of the “progressive” peoples. Nowadays, its successors take exception to the fact that China's right to “peaceful development” is impeded. In their “white papers” they regret that the exemplary “main tendencies of peace and development” otherwise prevailing in the world are severely disrupted by the actions of “one power”: America “presumes” itself the world “hegemon,” dominating and strictly preventing any alteration of its “unipolar” world order. Against it, China sets its “concept” of a “multipolar world” – and announces with this formula, which should sound harmless and reassuring, nothing less than its fight against the supremacy of the USA. Today's Chinese rulers are not willing to accept the “balance of power” in the world as unalterable. In the competition for military power they also want only one thing: to keep up – and to do so they tackle all necessities, whether the modernization of its navy or suitable strategic alliances.

“Now more than ever!”

Since the outbreak of the global financial crisis, the People's Republic sees itself confronted with the bitter truth that the world market, which it has used up to now as a means for its rise, presents it with a verdict that harms it in several very basic ways.

- Its foreign exchange reserves depreciate. The sums that the Chinese sovereign wealth funds have put into businesses such as Freddie Mac and Fannie Mae have already evaporated. The rest of its dollar-, yen- and euro-portfolio is endangered by the still incalculable effects which the crisis and the respective state bailouts will have on the established world currencies.
- Simultaneously, the state treasury no longer grows for the first time in many years because both the export business as well as foreign direct investments plunge on a large scale. In addition, capital flees to Hong Kong in view of the uncertain prospects for business.
- In the Chinese “real economy,” the dependence on business from foreign markets (USA, Japan, Europe) makes itself known: a large part of the world market factories have been closed in a very short time, millions of workers are laid off without any social protection (20 million migrant workers by the end of January 2009 alone), and the outlook for the annual additional young people entering the labor market is miserably poor.

The Chinese state, which has made its success as well as the life and survival of its people practically dependent on a capitalistic and world market-oriented business taking place on its territory, sees itself confronted with the “natural laws” of this market economy. If this economy does not grow significantly every year – in China, it must be at least at eight per cent – the society can not just continue to exist at previous standards. Their economic life depends on these profit calculations, therefore it ceases on a great level. This is not the result of natural shortages or natural disasters like in pre-socialist times. Although all the material means of production – a skilled workforce, natural resources, industrial technology – exist in abundance, there is now “the crisis.”

The Chinese government answers this predicament with a resolute “Now more than ever!” They commit all their available means and proclaim, like all the other imperialist powers, that they will emerge stronger from the crisis. With monetary policy instruments and a quickly adopted, huge economic stimulus package, they help the economy get back on its feet. They have postponed for now budget policy considerations, just like other state objectives, perhaps the construction of social insurance and the implementation of labor law reform. Also in China the purpose of the system on which everything depends and on whose renewed functioning everything else depends shows up in this drastic way – so much for capitalistic “methods” and “riding the tiger.”

The crisis competition intensifies all really hitherto existing contradictions and antagonisms of the states. All now have their good national reasons to ensure growth in their country and

to do so at the expense of the others, and at the same time they fear that in the long term they will lose the means of their profit – the global free markets, which is why they all mutually warn of “protectionism.” On the one hand, they claim the stimulus measures of the other as a means for themselves (“China should bail out the world”); on the other hand, they make their rescue strategies responsible for their poor prospects (new attacks by the U.S. against the “undervalued” yuan). America gets to feel how far its dollar and its entire beautiful world of finance have become dependent on a constructive policy from the People's Republic – an utterly intolerable situation for its claim to lead the world economically. Vice versa, the Chinese must realize that a detachment from the dollar regime, which would be convenient for them, contains lots of potential damage to their own interests. Therefore, although for now they continue to buy U.S. government securities, they call – appearing as the owner of hard earned dollars! – for the Americans to care for their currency appropriately ...

There is no reason for any type of *schadenfreude* in that the world power USA has cultivated and now struggles to rid itself of an interesting contradiction. Because China gets in the way of the US, it by no means represents a kind of hope for an alternative world order. Aside from the absurdity of such a need – to search after a “really existing” power as a condition, perspective, state's witness, or anything else for one's own opposition – it is badly done: in order to believe that something like that exists in China, one has to reinterpret the economy and (foreign) policy of the People's Republic against all reality – the only way that the competitive successes of this country, which for 30 years now has been establishing a successful capitalist economy with all the necessary state power and vigilance, becomes the “beginnings” or at least “conditions” for something “different.” Second, the contradictions in which states find themselves regularly lead to brutal rectification programs – and the subjects of world history conduct that by sending into competition their instruments, their loyal peoples and their means of violence and extortion.