

The Chinese Colossus

When it comes to celebrating, few can match the Chinese.

While the rest of the world is still in the throes of the greatest recession since the 1930s, China marked 60 years of communism recently with a degree of pizzazz that would be the envy of Dubai, Las Vegas and other capitalist bastions. The extravaganza included everything from a detachment of goose-stepping women soldiers in mauve mini-dresses and white jackboots carrying machine-guns; smartly turned-out children waving banners of ideological correctness; a Soviet-style parade of state-of-the-art nuclear missiles; and elaborate fireworks.

Officially, China is still – absurdly – under the “dictatorship of the proletariat”, that is run by the Communist Party. Gazing down on the parade was Chairman Mao Zedong, the founding father of the People’s Republic of China; and a float carried a huge portrait of the leader through the crowds, broadcasting his vision of stakeholder capitalism: “Work hard to achieve new victories in building a prosperous society in all.”

In reality, of course, present-day Chinese entrepreneurs are about as communist as John Adams. Chinese economic growth in the past decade has been nothing short of sensational, evolving into an indispensable cog in the world capitalist order. In barely 30 years, China has gone from a dusty, closed backwater, unable to feed its population, to the world’s third biggest economy. China is a country well on track for over 8 percent economic growth this year, propped up by one of the biggest fiscal stimulus plans the world has ever seen, where bank lending accounted for a staggering 25 percent of GDP in the first half of this year.

During the 1990s, even as globalization gained prestige, sometimes – as it might have appeared – from the reflected shine of the US economy, China was developing into a most curious economic phenomenon. Sixty years ago, under Mao, China was possibly the poorest country in the world. But by the 1990s, it was becoming one of the largest economies in the world while still being immensely poor. This in part can be explained from the fact that while espousing capitalism in a gradual and uneven manner it was still politically under the stringent control of the Communist Party. This meant that the economic pace at which China moved was determined by political decisions. Yet for all that, China was shedding state control of the economy, which accounts for the astounding rates of economic growth. Even more overwhelming, of course, is the sheer size of China.

Even with only a portion of its population of over 1.2 billion inhabitants engaged in economic modernization, China can play the demographic trump card, thereby becoming a world economic power with incalculable potential. Specifically, every so many number of years tens of millions of new consumers and their respective suppliers enter the mainstream of world trade, which is set to continue for the next three decades or more.

Unfortunately, given its archaic political organization, the Chinese colossus cannot partake fully of the most prized values of the West, namely, democracy. Its adherence to a genuine democratic system is still skin-deep and many of its legal practices are at best dubious. In the vast interior, civil and commercial law are often subject to the vagaries of local feudal lords. Politically, the best that can be said for China is that it is a sort of semi-democracy in that in order to get to the top of the pecking order you have to win the backing of other people every

step of the way. This is not necessarily something to be sniffed at; much of the Arab region operates along similar lines.

Despite the trampling of many western values in China, there is little that the rest of the world can do about it. While China is partially a product of the West, it is definitely not of the West. China, like Japan in the 19th century, has assimilated western economic modernism without giving an inch in the cultural domain. In other words, China is an Asian variant of western civilization, with the necessary economic and military clout to do things its own way. China could perhaps have achieved such a status under any set of international historical circumstances, but the fact is that it is achieving this growth at a time when the West is less politically cohesive than it has been since before World War II, and in the wake of the greatest financial crisis since the Depression.

The recent display in Tiananmen Square served especially to highlight China's much vaunted soft power backed by formidable military strength. The economic future of the world could very well be in China's hands. But future analysts will be able to assess whether China's meteoric rise in the economic arena will translate into diplomatic muscle capable of moulding and shaping world history.
