

## THEME 01

# The Chinese vision of progress

CHINA

HEGEMONIC SHIFT

TECHNOLOGY

A global backlash against Chinese influence has characterized 2018. However, this backlash may fade sooner than we think. As the western world is de-globalizing, projecting its values abroad, and growing skeptical of emerging technologies, China is championing globalization, prioritizing growth for developing countries, and embracing technological innovation. By offering an alternative vision of progress, China could increasingly persuade the world to embrace its initiatives.

## Our observations

- A global backlash against Chinese influence is growing. Naturally, the Sino-American trade conflict has attracted global attention, but the backlash is far more widespread. Earlier this year, the book *Silent Invasion: China's Influence in Australia* shook up Australian politics and led to legislation designed to curb the influence of the Chinese Communist Party (CCP) in Australian society. Likewise, a [report](#) by the German Mercator Institute for China Studies revealed startling advances by the CCP in Europe. Meanwhile, China's BRI has triggered considerable backlash as well. Malaysia's PM Mahathir bin Mohamad called the project "[a new version of colonialism](#)". Fearing a debt trap, Pakistan is reportedly [renegotiating](#) its role in the BRI. Brazilian president Jair Bolsonaro has portrayed China as a [predator](#) looking to dominate the Brazilian economy. The treatment of Islamic Uyghurs in Xinjiang, western China has also been [fiercely criticized](#), as U.S. senators will propose to impose [sanctions](#) on China. Lastly, backlash against Chinese tech companies is brewing as the U.S., the U.K., Australia and New Zealand will stop using Huawei technology for critical infrastructure.
- China is positioning itself as the champion of globalization. While still being one of the world's most protectionist countries, China is trying to [recast that image](#). Especially since the start of the Sino-American trade conflict, Xi Jinping has defended [globalization of open markets](#). In November, Xi mentioned [plans](#) to build a free trade port on the Chinese island of Hainan, and to open the education, telecoms and cultural sectors further (China maintains extensive restrictions against foreign firms in these industries). Moreover, China will reportedly launch a program for [greater access](#) to Chinese markets: China might rewrite the Made in China 2025 plan to open the project to participation by foreign companies.
- Both at home and abroad, China explicitly prioritizes economic growth over political/civil institutional reform, as argued by [Kishore Mahbubani](#). Notably, the development trajectories of Japan, South Korea, Taiwan and Singapore (as well as much of the western world) all followed a similar path: rapid economic development under authoritarianism, followed by democratic reform as these countries grew more wealthy. Instilled within this perspective is the idea that only economic growth can improve the environment, reduce poverty, promote democracy, and make for a more open and tolerant society, as argued by [Benjamin Friedman](#), which lends more legitimacy to prioritizing growth over civil/political reform.
- China is, more than any other country in the world, embracing technological innovation as the driver of progress. China will become an [AI superpower](#) as the western world grows increasingly critical of its applications (e.g. facial recognition, automation of work). Similarly, China is racing ahead with applications of [genetic technology](#), as fears over the application of such technology rises in the west.



## Connecting the dots

De-globalization in the west is boosting China as the champion of globalization. We have previously [noted](#) that as the U.S. engages in conflicts with countries across Eurasia, the continent is growing closer together in sectors like energy and trade. China has signed a free trade agreement with the Eurasian Economic Union and is negotiating with Japan and South Korea. What's more, the Sino-American trade conflict could help [accelerate](#) the opening-up of the Chinese economy. Indeed, many of the structural reforms demanded by the Trump administration have existed as plans for reform in China for years (e.g. SOE reform, financial liberalization, lowering trade barriers), and recent developments have lend support to these voices within the CCP. Furthermore, [Bruno Maçães](#) argues that the BRI is vastly misunderstood in global media, because the progress of the BRI is highly opaque by design, as Chinese statecraft is relatively unconcerned with transparency around such projects. The project is not merely an infrastructure investment plan, but a civilizational concept that will rival the concept of 'the western world': the BRI intends to connect Europe to China to reveal that the East/West distinction has been a [historical aberration](#). China's development model that favors economic growth first and foremost could gain much more influence abroad. While this debate is often marked by the contrast between China's authoritarianism and western liberal democracy, in terms of international economic development strategies, the difference between China's priority for economic growth and western demands for structural political reform is more relevant. Kishore Mahbubani illustrates the difference by pointing to Africa: "the west wants democracy for Africans, but are they also allowed to live a better life?" While reality is more nuanced, Mahbubani's perspective captures the longstanding cynicism about western intentions abroad. As such, compared to western development models that

demand structural civil/political reform at the early stages of development, China's model (e.g. the BRI) will continue to entice many, especially in the face of structural demographic and economic pressure (e.g. graying populations, premature deindustrialization, decaying infrastructure).

China could inspire the world with its technological progress. In a [podcast](#) for New York Magazine, Bruno Maçães speculates about the world of 2038 in which western people will come to China to "see the future" of robots, AI and genetic tech. He argues that China will embrace emerging technologies, inspired by Marx's vision of technology as the driver of progress, as the western world grows increasingly critical of its applications. Hence, besides contributing to economic development of emerging countries, Chinese technology could inspire the west as well. As western people fear such a high-tech society, they are nonetheless intrigued, inspired and attracted to China, similar to the popularity of dystopian sci-fi like *Blade Runner* and *Minority Report*. As such, western people could come to view China as they do Singapore now (which has for decades been a model for the CCP): an inspiring semi-authoritarian high-tech state that the west nonetheless does not seek to imitate.

All in all, China could establish soft power by championing globalization, economic growth and technological innovation, especially as the western world de-globalizes, preaches values over economic growth, and becomes critical of emerging technologies. The global backlash against Chinese influence (including the Sino-American trade conflict) is largely a natural reaction to China's challenge to American hegemony. As such, global western media have grown skeptical about China's rise. However, China's vision for progress could still become successful, which means that backlash may fade sooner than we think.

## Implications

- A world in which China fully embraces emerging technology while the west grows critical about its applications, resembles a past in which the roles were reversed. When European imperialists conquered the world, the Chinese were partly critical of western technology and tried to close off their society to its influence, leading to China losing out during the Industrial Revolution. Now, the west (especially Europe) could stick to its humanist values over the promises of emerging technologies, and China could leap ahead.
- As China opens up (and the U.S. continues to try to counter its rise), the CCP could attempt to sow division between U.S. business and politics by opening up to American companies, similar to the division that has been sown over Google's project in China.