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China

# Chinese ambitions - An imperialism in formation

- IV Online magazine - 2014 - IV474 - July 2014 -

Publication date: Tuesday 22 July 2014

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**China is not an "emerging country" but a power that has emerged. It is not a "sub-imperialism" ensuring order in its own region, but an imperialism "in formation." The new Chinese bourgeoisie is aiming to play in the big league. The success of its enterprise is still far from assured, but this ambition determines its international policies, both economic and military.**

The new "emerging powers" are often grouped together under the acronym BRICS; namely Brazil, Russia, India, China and South Africa. [1]

These states are in fact trying to form a bloc in the international arena, organizing "summits"; the Fifth of them took place in Durban (South Africa) in 2013 and the next one is due to take place shortly in Fortaleza (Brazil). They have announced the creation of an international development bank under their control, an alternative to the World Bank. They are engaged in competition with the traditional imperialisms for access to resources, especially on the African continent. The results of this venture have proved for the moment to be mediocre, but there remains the temptation to formulate a "common critical analysis" of the BRICS in order, in particular, to strengthen the capacity of popular "South-South resistance and solidarity", counterposing the "brics-from-below" to the "BRICS-from-above" [2].

Patrick Bond, an influential activist in the global justice movement and a politically committed university professor in South Africa [3] develops his analysis in a recent article in *Pambazuka* [4]. Although for the "more radical proponents" supporters of the BRICSs bloc, there is an "anti-imperialist potential", there are "far greater dangers": to see these countries playing "a 'sub-imperialist' role' in contributing to neoliberal regime maintenance". Bond's analysis is nuanced and he takes into account the different situations in the various countries concerned, even raising the possibility of seeing some of them being part of "inter-imperialist" conflicts, as Russia is attempting to do in Ukraine/Crimea. But he still comes back to the use of the concept of sub-imperialism for all of the components of the "bloc" - China included.

As noted by Bond, the notion of sub-imperialist countries has a long history: it was invoked by Ruy Mauro Marini in 1965 to describe the role of the Brazilian dictatorship in the Western Hemisphere and "then repeatedly applied during the 1970s." This is where things become problematic. "Sub-imperialisms" really do exist today, but the conditions for the emergence of Chinese power are so different from the countries we were talking about then that it is doubtful whether the same term enables us to understand this specificity.

The present Chinese regime has certainly helped to extend (massively!) The sphere of international accumulation of capital; it has been integrated into globalization and economic financialisation; it has legitimized the dominant order by joining the World Trade Organization (WTO), which is opposed by all progressive social movements; it has provided transnational companies with a labour force that has no rights and can be exploited at will (the migrants from the interior of the country) - all things that are part of the role traditionally assigned to sub-imperialisms. In doing so, China could have once again become a dominated country like the others, under the yoke of the traditional imperialist powers. This possibility was perceptible in the early 2000s, but the leadership of the Chinese Communist Party (CCP) and the new Chinese bureaucratic capitalism decided otherwise. They had the ability to do so thanks to the legacy of the Maoist revolution: the relationships of dependency with regard to imperialism had been broken, which is not true of any other member of the BRICS except Russia - and unlike the latter, the ruling party has been able to control continuously the process of capitalist transition, profoundly transforming the class structure of the country. [5]

This is not to say that the other countries that are more or less characterized as sub-imperialism (from Brazil to Saudi Arabia, from South Africa to Israel) are only pawns in the hands of Washington. But the logic within which the international policy of Beijing is situated is qualitatively different. When Brazil sent troops to Haiti and India sent troops to Sri Lanka, they were playing the role of regional gendarmes of the world order. In East Asia, China has engaged in a standoff with Japan - which is not at all the same thing - and by doing so it is launching a challenge to the United States: already a permanent member of the UN Security Council and an official possessor of nuclear weapons, it is postulating the status of a first-rank power.

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## Economy and Strategy

To serve its new ambitions, Beijing has an economic base that is much superior to that of Russia, which depends more exclusively on its military capabilities. China's place in the global economy has grown in a rapid and impressive fashion. How far will this rising power go? For Bruno Jetin, in this area many uncertainties remain [\[6\]](#).

In absolute terms, China has had since 2010 the second biggest gross domestic product (GDP) in the world, behind the United States, but ahead of Japan and Germany. If current trends continue China could on this level take first place in a few years. [\[7\]](#) The important thing here is not the accuracy of the calculations or the prognostics, but the trend.

China also represents the second biggest market, one of the principal lenders and the biggest "workshop" in the world; a position that competition from other Asian countries with very low labour costs cannot easily threaten because the country also possesses a number of non-salary advantages. It is more difficult to measure the extent to which the Chinese economy is moving up market in the field of technological innovation. Because, once again, of its position of independence with regard to the traditional imperialisms, the regime can negotiate significant transfers of technology, but it has not yet made a leap forward in terms of radical indigenous innovations [\[8\]](#). The CCP leadership has fixed for itself the objective of overcoming this limit in the future (including through the acquisition of Western companies).

Affirming its weight on a new terrain, China has just for the first time intervened as an "international gendarme" of competition, blocking a multinational rapprochement (in this case European) in which none of its own businesses was directly concerned: the link-up between the world leaders in maritime transport, Maersk (Danish), MSC (Swiss-Italian) and CMA-CGM (French), which had however already been approved by Brussels and Washington. [\[9\]](#) The choice of sector - shipping - for this surprise intervention was no accident: China is the largest exporter in the world.

The question remains: is the "Chinese model" of capitalist development sustainable? It is not sure that it can withstand the bursting of speculative bubbles (as in real estate) and a major social crisis; a new global recession, the outbreak of conflict in East Asia or acute tensions with the transnational Chinese capital. It has given birth to a particularly unequal social formation, similar to those of Latin American countries and far from those of Western countries - even though the United States is also highly unequal and some European countries are on the road to "ThirdWorldization". Corruption is poisoning the country to the point of jeopardizing the implementation of economic policies. More and more very wealthy families - including those belonging to the upper echelons of the regime - engage in speculation and use tax havens to escape official controls. The coherence of "bureaucratic capitalism" is under pressure with the rise of private capitalists and is also undermined from within by the individualism of the "red princes", children of dignitaries. However, it is this core of the present ruling class which controls the strategic project of creation of the new imperialism, which gives it its strength; if it breaks up, how will the conversion be carried through?

That having been said, for the moment Chinese international economic policy does not only aim to make profits: it also aims to lay the foundations of a superpower. In terms of raw materials, China lacks or will lack almost everything; it is buying on a massive scale agricultural and mining land (oil, gas, rare metals ...) all over the world and is taking control of multinationals [10]. It guarantees direct control over production by monopolizing the management of its businesses, but also by exporting Chinese labour (Africa ...) or by recruiting by preference citizens of other countries who speak Chinese (Vietnam ...). Correlatively, it seeks to ensure secure channels of intercontinental communication by buying ports [11] and airports, investing in merchant shipping and gradually deploying its military fleet on the occasion, particularly, of operations against piracy on the high seas.

Purchases of sovereign debt or banking institutions, diversification of its foreign exchange reserves, creating renminbi clearing banks in London and Frankfurt following on Singapore - and soon Paris ... China is strengthening its position in international finance, having made very good use of Hong Kong for this purpose. In October 2013, the Chinese renminbi supplanted the euro as the second currency in the financing of international trade, even though it is not yet fully convertible. [12]

Admittedly, for international financial transactions as a whole, the renminbi is still the seventh currency in the world (far behind the euro) and the supremacy of the dollar is not about to be challenged; but Beijing can take advantage of the concern caused by the way the United States demands a right to inspect accounts in dollars all over the world and to impose its laws outside its own borders on all commercial transactions denominated in its currency, as shown in the case of BNP Paribas, literally placed under U.S. supervision. [13]. In these conditions, the search for an alternative currency will gain strength.

China is also becoming more influential in another sector dominated by the traditional imperialisms. According to the latest report from SIPRI (Stockholm International Peace Research Institute) for the first time since the end of the Cold War, China ranks among the five largest arms exporters, a "top five" that had up till then only comprised the United States and Europeans. [14] With 6 per cent of sales, it ranks in fourth place just behind Germany (7 per cent), ahead of France (5 per cent) and the United Kingdom (4 per cent) which slips back to sixth place. [15]

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## The maritime conflict in East Asia

It is in East Asia that tensions between China, its neighbouring states and the USA are the sharpest. This is not something new. Washington deployed enormous resources to stem the tide of revolution that began in the region around the Second World War. After the conquest of power by the Maoist forces in 1949, a network of military bases was formed in an arc from South Korea to Thailand via Japan (Okinawa) and the Philippines. The outbreak of the Sino-Soviet conflict, when Moscow made a nuclear deal with Washington and placed China before a fait accompli, reinforced the encirclement syndrome in Beijing. What has changed, however, is the social nature of the Chinese state and, correspondingly, the policies that it implements in order to break the threat of physical isolation of which it fears it is the object [16].

This policy has today an economic dimension related to the massive export of capital that is one of the marks of the emergence of a new and very conquering Chinese capitalism, and to the explosive growth of trade relations. Beijing is creating a double dependency in countries of the region: through the importance of the Chinese market to their economies and through the growth of its investments in many of its neighbours. Thus, the CCP no longer hesitates to bypass the North Korean regime in order to strengthen directly its relations with South Korea.

Beijing is dangling the offer of a pax sinica that would consolidate these relations of economic dependency - but this

policy also provokes growing social and national resistance where populations are victims of commercial dumping and unequal cross-border trade (Thailand ...), are threatened by huge infrastructure projects such as giant dams (a project aborted in Vietnam, another in Myanmar suspended ...), suffer too harsh working conditions in Chinese companies (Vietnam ...) or are driven from their lands which have been acquired by China (Philippines ...).

The implosion of the USSR and the end of the period known as the Cold War between blocs has made ??the geopolitics of East Asia very unstable, with multiple "hot spots" – festering crises that have been unresolved for decades. In this context, Beijing seeks to establish itself as a key player in the international diplomatic manoeuvres. This was obviously the case for the Korean peninsula, but China is now also present in Afghanistan.

This all-out regional policy has also a very aggressive military and territorial component that highlights how far this pax sinica would be unequal. To pander to the great-power nationalism that is filling the ideological vacuum left by the collapse of Maoism, to give legitimacy to the regime, to appropriate marine wealth, but also to ensure access for its fleet to the Pacific Ocean and the straits of Southeast Asia, Beijing has claimed sovereignty over nearly all of the South China Sea (a claim that is obviously rejected by the other countries that border these waters). It grants itself rights that apply in principle to an inland sea, not to an international shipping route. It in fact imposes its demands by building various military structures on uninhabited archipelagos, islets, rocks and reefs which are claimed or possessed by other countries in the region - it invites its citizens to fish everywhere under the protection of its coastguards and to engage in prospecting for oil, with the installation on May 2 of a drilling platform off the coast of Vietnam.

Against Vietnam, Malaysia, Brunei and the Philippines, Taiwan and Japan, Beijing takes possession of or demands the entirety of the Paracel and Spratly Islands, the Scarborough Reef, the Senkaku /Diaoyu Islands; and it is extending its own territorial waters to point of leaving virtually nothing for the other countries of Southeast Asia. Points of military friction have emerged to the west with Vietnam and to the east with Japan. Although in the first case very violent incidents have taken place, it is in the second that a "controlled" escalation has raised the stakes very high since Tokyo "nationalized" in September 2012 the Senkaku / Diaoyu Islands [17] - to such an extent that last November, China declared an air defence identification zone (ADIZ) including this small archipelago.

No power today wants to start a war in East Asia, but from provocation to counter-provocation, dangerous slippages cannot be excluded. And we are in the most nuclearized region of the planet where - as shown by the Korean crisis - China, Russia, the United States and Japan find themselves face to face. In a region that is also marked by the rise of xenophobic nationalisms and maritime militarization (where the biggest and the third and fourth biggest fleets in the world manoeuvre). The United States has been constantly announcing its grand return to Asia and the Japanese right wants to free itself from the pacifist clauses of its Constitution: despite the opposition of a majority of the population, the Japanese parliament has adopted a new "interpretation" of this Constitution, which should facilitate the participation of its army in military operations abroad ... [18]

The end of blocs as a result of the implosion of the USSR and capitalist globalization has created a situation of great instability, and not just interdependence (the United States dependent on Chinese capital and China dependent on the U.S. market). Washington cannot police the world alone and some regional "sub-imperialisms" are not enough to help it: it would need imperialist allies, even if they were "secondary"; but the European Union is conspicuous by its impotence and Japan cannot yet stand on its own two feet. For the moment, Beijing is taking advantage of this situation, on both the economic and military levels. But if (if!) the constitution of the new Chinese imperialism continues without major regime crisis, it will be accompanied by rising geopolitical tensions.

East Asia is certainly not the only region of the world marked by instability and by a rise in armed conflicts - the Middle East remains from this point of view by far the "hottest" region! But it is in Asia that the confrontation between all the major powers takes the most direct form.

[1] The final "S" in BRICS refers to South Africa.

[2] Patrick Bond, "Which way forward for the BRICS (Brazil-Russia-India-China-South Africa) in Africa, a year after the Durban summit?" *Pambazuka* No. 673: <http://pambazuka.org/en/category/fe> ... Available on ESSF (item 31676).

[3] University of KwaZulu-Natal

[4] Patrick Bond, "BRICS (Brazil-Russia-India-China-South Africa) and the tendency to sub-imperialism", *Pambazuka* No. 673: <http://pambazuka.org/en/category/fe> ... available on ESSF (item 31709).

[5] See on this process Pierre Rousset, "From whence did the new Chinese capitalism emerge? "Bourgeoisification" of the bureaucracy and globalization", ESSF (article 31179): <http://www.europe-solidaire.org/spip.php?article31179>

[6] See Bruno Jetin, "China: unavoidable rise or possible decline?" in Au Loong Yu, *China's Rise: Strength and Fragility*, Merlin Press, Pontypool, 2013. Much of the following data are taken from this chapter. For a historic overview of the rise of Chinese capitalism in the international arena, see in the same book, the chapter by Au Loong Yu, "China Going Global."

[7] According to IMF calculations, which use data whose reliability is questionable, such as that concerning exchange rates.

[8] For example, in the car industry... <http://www.autoactu.com/les-dangers-de-la-dependance-des-constructeurs-aux-profits-chinois.shtml>

[9] Denis Cosnard, *Le Monde*, 19 June 2014.

[10] This has been the case for example in the dairy sector since 2010, with capital acquisitions by food giants controlled by the Chinese government such as Bright Food; New Zealand was the first target (the country is the world's largest exporter of dairy products), followed by offensives in the United States and Europe, and recently in Israel. It is a question at the same time of securing the importation of products, ingredients or technologies in a very sensitive sector, following on the repeated health scandals concerning especially powdered milk for babies. Still in the food industry, a similar movement is underway in the meat sector, notably with WH Group taking control in 2013 of the pork processing enterprise Smithfield, which was the largest acquisition of a U.S. company by a Chinese group.

[11] Quite recently, the Chinese Premier visited Athens to negotiate, in particular, the extension of its interests in the port of Piraeus, put up for sale by the Greek government.

[12] Isabelle Chaperon, *Le Monde*, 29-30 June 2014.

[13] The big French bank BNP Paribas was sentenced to a record fine of nearly \$9 billion (among other sanctions) for having traded in U.S. currency with countries subject to American embargo, even though such operations were conducted in Switzerland. It is surprising that the bank, warned of the risks it was running, persisted; but the bottom line is that any transaction must be recorded in dollars in a bank in the United States, which provides an opportunity for the American judicial system to intervene. Furthermore, it is the New York branch of BNP Paribas which will monitor all flows in dollars; it must also create a "Financial Security" department - still in New York - to ensure that operations worldwide respect American regulations: the largest French bank thus finds itself subjected closely to U.S. authorities.

[14] <http://www.sipri.org/yearbook/2013/files/sipri-yearbook-2013-resume-en-francais>

[15] [http://books.sipri.org/product\\_info?c\\_product\\_id=475](http://books.sipri.org/product_info?c_product_id=475) The two biggest exporters are obviously the United States (29 per cent) and Russia (27 per cent).

[16] It is not possible within the scope of this article to revisit the complex history of the Asian policy of Beijing in the Maoist era.

## Chinese ambitions - An imperialism in formation

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[17] Pierre Rousset, "Asie du Nord-Est: bruits de bottes pour une poignée d'Ã©lots inhabités", ESSF article 26587

[18] This article focuses on the rise of Chinese power. An article about the geopolitical situation of East Asia should obviously develop the specific roles of the "traditional" imperialisms, the USA and Japan.