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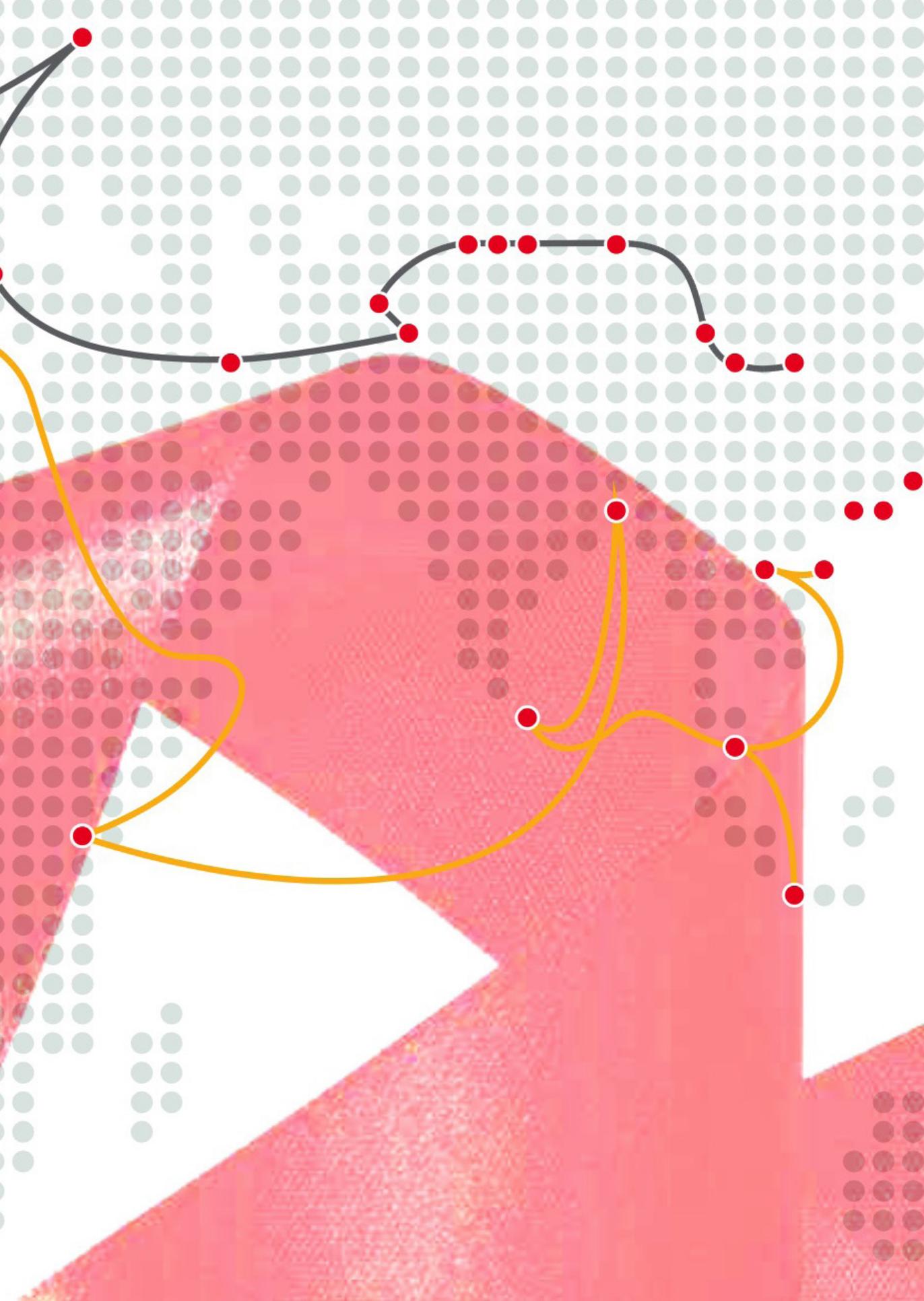
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Building the New “Three Rings”: The Choice of China Under the Threat of a Full Decoupling





## **Vijay Prashad.**

Vijay Prashad, the Director of Tricontinental: Institute for Social Research, Editor of *LeftWord* Books, and Chief Correspondent for *Globetrotter*.

# **Editorial: Towards a Conversation Across Civilisations**

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It has become increasingly difficult to engage in reasonable discussions about the state of the world amid rising international tensions. The present environment of global instability and conflict has emerged over the course of the past fifteen years driven by, on the one hand, the growing weakness of the principal North Atlantic states, led by the United States – which we call the West – and, on the other, the increasing assertion of large developing countries, exemplified by the BRICS (Brazil, Russia, India, China, and South Africa). This group of states, along with several others, have built the material conditions for their own development agendas, including for the next generation of technology, a sector that had previously been the monopoly of Western states and firms through the World Trade Organisation’s intellectual property rights regime. Alongside the BRICS, the construction of regional trade and development projects in

Africa, Asia, and Latin America that are not controlled by the Western states or Western-dominated institutions – including the Shanghai Cooperation Organisation (2001) the Belt and Road Initiative (2013), the Community of Latin American and Caribbean States (2010), and the Regional Comprehensive Economic Partnership (2022) – heralds the emergence of a new international economic order.

Since the world financial crisis of 2007–08, the United States and its North Atlantic allies have become acutely aware that their hegemonic status in the world has deteriorated. This decline is the consequence of three key forms of overreach: first, military overreach through both enormous military expenditure and warfare; second, financial overreach caused by the rampant waste of social wealth into the unproductive financial sector along with the widespread imposition of sanctions, dollar hegemony, and control of international financial mechanisms (such as SWIFT); and, third, economic overreach, due to the investment and tax strike of a minuscule section of the world's population, who are solely fixated on filling their already immense private coffers. This overreach has led to the fragility of the Western states, which are less able to exercise their authority around the world. In reaction to their own weakness and the new developments in the Global South, the United States has led its allies in launching a comprehensive pressure campaign against what it considers to be its 'near peer rivals', namely China and Russia. This hostile foreign policy, which includes a trade war, unilateral sanctions, aggressive diplomacy, and military operations, is now commonly known as the New Cold War.

In addition to these tangible measures, information warfare is a key element of the New Cold War. In Western societies today, any effort to promote a balanced and reasonable conversation about China and Russia, or indeed about the leading states in the developing world, is relentlessly attacked by state, corporate, and media institutions as disinformation, propaganda, and foreign interference. Even established facts, let alone alternative perspectives, are treated as matters of dispute. Consequently, it has become virtually impossible to engage in constructive discussions about the changing world order, the new trade and development regimes, or the urgent matters which require global cooperation such as climate change, poverty, and inequality, without being dismissed. In this context, dialogue between intellectuals in

countries such as China with their counterparts in the West has become virtually impossible. Similarly, dialogue between intellectuals in countries of the Global South and China has also been hampered by the New Cold War, which has strained the already weak communication channels within the developing world. As a result, the conceptual landscape, terms of reference, and key debates that are taking place within China are almost entirely unknown outside of the country, which makes the holding of rational cross-country discussions very difficult.

The New Cold War has led to an enormous spike in Sinophobia and anti-Asian racism in the Western states, frequently egged on by political leaders. The rise in Sinophobia has deepened the lack of genuine engagement by Western intellectuals with contemporary Chinese perspectives, discussions, and debates; and due to the immense power of Western information flows around the world, these dismissive attitudes have also grown in many developing countries. Although there are increasing numbers of international students in China, these students tend to study technical subjects and generally do not focus on or participate in the broader political discussions within and about China.

In the current global climate of conflict and division, it is essential to develop lines of communication and encourage exchange between China, the West, and the developing world. The range of political thinking and discourse within China is immense, stretching from a variety of Marxist approaches to the ardent advocacy of neoliberalism, from deep historical examinations of Chinese civilisation to the deep wells of patriotic thought that have grown in the recent period. Far from static, these intellectual trends have evolved over time and interact with each other. A rich variety of Marxist thinking, from Maoism to creative Marxism, has emerged in China; although these trends all focus on socialist theories, history, and experiments, each trend has developed a distinct school of thought with its own internal discourse as well as debates with other traditions. Meanwhile, the landscape of patriotic thinking is far more eclectic, with some tendencies overlapping with Marxist trends, which is understandable given the connections between Marxism and national liberation; whereas others are closer to offering culturalist explanations for China's developmental advances. This diversity of thought is not reflected in external understandings or representations of China – even in

the scholarly literature – which instead largely reproduces the postures of the New Cold War.

To contribute to the development of a better understanding of and engagement with the thinking and discussions taking place within China, Tricontinental: Institute for Social Research and Dongsheng News have partnered with Wenhua Zongheng (文化纵横, ‘Beijing Cultural Review’), a leading journal of contemporary political and cultural thought in China. Founded in 2008, the journal is an important reference for debates and intellectual developments taking place in China, publishing issues every two months which feature articles by intellectuals from a range of professions across the entire country. In this partnership, Tricontinental: Institute for Social Research and Dongsheng News will publish an international edition of Wenhua Zongheng, releasing four issues per year in English, Portuguese, and Spanish, which will be curated by our joint editorial team. The international edition will include translations of a selection of articles from the original Chinese editions that hold particular significance for the Global South. Additionally, Tricontinental: Institute for Social Research will run a column in the Chinese edition of Wenhua Zongheng, bringing voices from Africa, Asia, and Latin America in dialogue with China (some of which will also be published in the international edition). We are excited to undertake this project and hope that it will introduce readers to the vibrant discourse underway in China, share important perspectives from the Global South with a Chinese audience, and enrich international dialogue and understanding. Instead of the global division pursued by the New Cold War, our mission is to learn from each other towards a world of collaboration rather than confrontation.

# The Ukraine Crisis and the Building of a New International System



## Yang Ping

Mr. Yang Ping (杨平) is a leading scholar and editor in China's contemporary ideological and cultural community. In 1993, he founded Strategy and Management (战略与管理), an important magazine which countered the influence of liberalism on Chinese ideology and culture. In 2008, he founded Wenhua Zongheng (文化纵横, 'Beijing Cultural Review'), a journal that focuses on the construction of Chinese society's core value system while consistently upholding the banner of socialism. Over the past fifteen years, the journal has grown into one of China's most important thought platforms.

'The Ukraine Crisis and the Building of a New International System' was originally published as the lead article of the June 2022 issue of Wenhua Zongheng (文化纵横, 'Beijing Cultural Review'). The article urges China, amid the outbreak of the Russia-Ukraine conflict, to consider the dangers of the current international system that it has been striving to integrate into and the possibilities of building a new international system.

The outbreak of the Ukraine crisis has not merely altered the geopolitical landscape, it has severely disrupted the current international order. Particularly, the imposition of extensive sanctions on Russia by the United States and other Western countries has compromised the rules of the existing international system and revealed its true, coercive nature.

This crisis should provide a strong reminder to China that it must deepen its ‘worst-case scenario thinking’ (底线思维, dǐxiàn sīwéi) and seriously contemplate, as a major strategic aim, building a new international system parallel to the current Western-dominated order.

## Preparing for looming crises

The current international system is one that is dominated by the Western countries, led by the United States, and liberal capitalist in nature. During periods when liberal capitalism functions smoothly, this system expands globally and appears to be rules-based and fair, able to include most countries and regions of the world. However, during periods of crisis, liberal capitalism will contort itself, abandoning established international rules or seeking to create new ones, exemplified by increasing nativism or deglobalisation where the hegemonic nation relinquishes its purported duties of leadership and returns to power politics.

Amidst the Ukraine crisis, the US and the Western countries have disregarded international norms by forcibly casting Russia out of the global financial architecture, namely the Society for Worldwide Interbank Financial Telecommunication (SWIFT), confiscating Russian state and personal assets, and freezing the country’s foreign exchange reserves. Such measures go far beyond the typical nonviolent means of confrontation employed by nation states such as trade wars, technology blockades, and oil embargoes, and blatantly contradicts the timeless liberal principles that ‘debts must be paid’ and ‘private property is sacrosanct’, among others. These flagrant violations of the so-called ‘rules-based order’ have laid bare the arbitrary, unlawful, and biased character of the international system and the manner in which it can be manipulated by the US and its allies to violently discipline other countries.

From the Chinese perspective, the Ukraine crisis is a warning to China that it must prepare for scenarios in which it is subject to such hostile measures. It is necessary to re-examine the present international order to grasp an accurate understanding of both its benefits and drawbacks, giving up any illusions in its fairness and long-term viability, and, whilst participating in and maximising the utility of the current system, simultaneously making preparations for the construction of a new international order.

Given the size of China, the task of national rejuvenation requires much more than an economic strategy of mere ‘domestic circulation’ (内循环, nèi xúnhuán). To achieve industrialisation and modernisation, China must engage with the world and develop a broader ‘international circulation’ (外循环, wài xúnhuán) by accessing external resources, technologies, and markets. The central task of China’s reform and opening-up policy over the past four decades has been to open the country to the outside world and participate in the global system in order to promote an international environment more favourable to the pursuit of modernisation.<sup>1</sup> At the same time, China has had to take necessary actions when hostile aspects of the current system have threatened the country’s fundamental interests. In the current situation, it is necessary that China, on the one hand, fights steadfastly against the manipulation of the existing system by the US and the Western countries, and, on the other hand, begins to build a new, more democratic and just global system, in partnership with developing countries.

## China’s historical destiny is to stand with the Third World

The present world order has not only been shaped by China, Russia, the United States, and Europe, the countries and regions of Asia, Africa, and Latin America have also created a multitude of new regional networks amid the decline of US power. Working with other developing countries is necessary for China to strengthen efforts to build a new international system. The Belt and Road Initiative (BRI), since it was proposed by President Xi Jinping in 2013, has in fact laid the foundation for such cooperation and for the realisation of a new system.<sup>2</sup>

Since the People’s Republic of China was founded in 1949, the Third World has consistently provided China with new spaces to survive and grow and new sources of strength whenever it has faced pressure from superpowers, including the national liberation movements of Asia, Africa, and Latin America in the 1950s and 1960s, the Bandung Conference of 1955 and the

1 ‘Reform and opening-up’ refers to the era of China’s economic reform initiated in 1978 under the leadership of Deng Xiaoping.

2 The Belt and Road Initiative (BRI) is a global infrastructure development project proposed by China’s President Xi Jinping in 2013. By the end of July 2022, China had signed more than 200 BRI cooperation agreements with 149 countries and 32 international organisations.



Non-Aligned Movement, Mao Zedong's Three Worlds theory developed in the 1970s, the emphasis on South-South cooperation during the early stages of reform and opening up in the 1980s, the establishment of the BRICS mechanism at the turn of the century, and, most recently, the development of the BRI in the last decade. Over the past 70 years, China has had adopted a wide range of foreign policies, from the 'lean to one side' (一边倒, yībiāndǎo) policy with the Soviet Union in the 1950s to the 'integrating with the world' (与国际接轨, yǔ guójì jiēguǐ) (or with the US, to be exact) policy at the turn of the century; however, China has, consciously or unconsciously, consistently turned to the Third World whenever it has felt that its independence and sovereignty were threatened.<sup>3</sup>

This relationship with the Third World is China's historic destiny. Today, as China becomes an important pole in the world and is faced with the hostile containment strategy of the hegemonic United States, it cannot follow the alliance politics pursued by the US and the Soviet Union during the Cold War. Dividing the world into antagonistic blocs would drive humanity to the brink of war and global catastrophe; instead, China should continue to pursue an independent and nonaligned foreign policy, focused on bringing together the many countries of the Third World – which constitute the global majority – to foster new forms of partnership, establish new multilateral networks, and create a new international system.

Reflecting upon the practices and experiences of the BRI until now and accounting for the challenges posed by the Ukraine crisis, China's approach towards building a new international system should be guided by the following considerations:

First, China's orientation should be based on strategic rather than commercial interests. China cannot merely be concerned with exporting its production capacity and capital or securing access to external resources

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<sup>3</sup> In the early years after its founding, the People's Republic of China adopted a 'lean to one side' foreign policy which declared that the country would ally with other socialist countries against the forces of imperialism. Meanwhile, during the 1990s and 2000s, China pursued a policy of 'integrating with the world', increasing its global political and economic engagement. In particular, China and the United States deepened their economic interdependence; in 2000, the US granted China permanent normal trade relations status and, the following year, China became a member of the World Trade Organisation.

and markets for Chinese enterprises; but rather it must prioritise what is necessary to ensure strategic survival and national development. By adopting such a strategic perspective, it becomes clear that the approach taken by many Chinese firms and local governments towards other nations and regions, as part of the BRI, is not sustainable as it has prioritised commercial interests and tended to ignore political-strategic interests.<sup>4</sup>

Second, the creation of the new international system requires the development of a new vision, philosophy, and ideology to guide and inspire efforts to build it. In this regard, the BRI's principles of 'consultation, contribution, and shared benefits' (共商共建共享, gòngshāng gòngjiàn gòngxiǎng) are insufficient. While the United States today rallies the Western camp under the banner of 'democracy versus authoritarianism', China must clearly uphold the flag of peace and development, uniting and leading the vast developing world whilst appealing to and persuading more European states to join this cause. President Xi Jinping's global call for the 'building of a community with a shared future for humanity' (人类命运共同体, rénlèi mìngyùn gòngtóngtǐ) should be adapted to the new international situation. The Chinese concept of 'common prosperity and common development' should be shared with the world and promoted as a core value in building a new international system.

Third, a 'Development International' (发展国际, fāzhǎn guójì) should be set up as an institutional entity to create a new global system. Unlike the Western alliance mechanisms, such as the Group of Seven (G7) and North Atlantic Treaty Organisation (NATO) which are dominated by a minority of wealthy countries, a new global system must address the fundamental issue that the overwhelming majority of the world faces: how developing countries can be more effectively organised under the principle of nonalignment. Loosely organised and nonbinding initiatives such as conferences and declarations are wholly inadequate for this task; an institutional mechanism such as a 'Development International' should be promoted and constructed to drive more powerful organisational action and to develop networks of knowledge and culture, of media and communication, of economic cooperation, as well as other projects. In a

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4 Along with the central government and firms, China's provincial and municipal governments are also important actors in the BRI.

nutshell, forms of organisational action under the mandate of peace and development should be established and experimented with.

## The relationship between the two systems

Building a new system does not mean abandoning the present one.

In the forty years of reform and opening up, China's direction and goal have been to integrate into the existing international order. As a latecomer to industrialisation and modernisation, China has had no choice but to learn from the Western countries and take in their advanced knowledge and experience. Breaking away from this system would inevitably drive China back to the old road of the 'closed-door' (闭关锁国, bìguānsuǒguó) policy of the 1960s and 1970s, cutting the country off from the advanced economies of the present world.<sup>5</sup>

Nowadays, China has travelled a long way down the road of globalisation and has benefited from it; reform and opening up has become bound up with the Chinese people's basic interests. For this reason, it is neither desirable nor feasible to give up the benefits derived from participating in the current system.

But this by no means negates the urgent necessity of preparing for the threat of the US-led Western alliance sabotaging the present global system. The development of a new international system and the active participation in the present system are two processes that can be implemented simultaneously without conflict, in which the two systems are bound to overlap and interpenetrate each other. When the quantitative changes accumulated by the new system begin to transform into qualitative changes, a brand-new world order will naturally emerge.

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<sup>5</sup> The term 'closed-door' refers to the policy of the Ming Dynasty (1368-1644) and early Qing Dynasty (1644-1911) of limiting China's economic, scientific, and cultural interactions with the world, which contributed to the country falling behind the Western industrialised nations.

# Five Centuries of Global Transformation: A Chinese Perspective

Humanity is in the midst of a global upheaval, on a scale unseen in 500 years: namely, the relative decline of Europe and the United States, the rise of China and the Global South, and the resulting revolutionary transformation of the international landscape. Although the era of Western global dominance is often said to have lasted five centuries, precisely speaking this is an overstatement. In reality, Europe and the United States have occupied their positions as world hegemony for closer to 200 years, after reaching their initial stages of industrialisation. The first industrial revolution was a turning point in world history, significantly impacting the relationship between the West and the rest of the world. Today, the era of Western hegemony has run its course and a new world order is emerging, with China playing a major role in this development. This article explores how we arrived at the current global conjuncture examining the different stages in the relationship between China and the West.



## Yao Zhongqiu

Yao Zhongqiu (姚中秋) is a professor at the School of International Studies and dean of the Centre for Historical Political Studies, Renmin University of China. He has published numerous studies and translations on the history of Chinese thought and institutions, and currently focuses on historical politics, vanguard party theory, and modern world political systems. His latest publications include *The Chinese Moment in World History* (世界历史的中国时刻) and *Large and Lasting: A History of Chinese Political Civilisation* (可大可久: 中国政治文明史).

# Stage I: A Shifting Balance Between China and the West

The first encounter between China and Europe dates back to the era of naval exploration of the fifteenth and sixteenth centuries, during which the Chinese navigator and diplomat Zheng He (1371–1433) embarked on his Voyages Down the Western Seas (郑和下西洋, Zhèng Hé xià xīyáng) (1405–1433), followed by the Portuguese and Spanish naval expeditions to Asia.<sup>1</sup> From then on, China has established direct contact with Europe through ocean passages.

During this period China was ruled by the Ming dynasty (1388–1644), which adopted a worldview guided by the concept of tianxia (天下, tiānxià, ‘all under heaven’).<sup>2</sup> This belief system generally categorised humanity into two major civilisations: the Chinese who worshipped heaven, or the sky, and the West which, broadly, worshipped gods in a monotheistic sense.<sup>3</sup> It is important to note that, in this era, the Chinese had a broad conception of the West, considering it to encompass all the regions which expanded northwestward from Mesopotamia to the Mediterranean Sea and then to the Atlantic coast, rather than the contemporary notion which is generally limited to of the United States, Canada, Australia, New Zealand, and Europe. On the other hand, Chinese civilisation spread to the southeast, from the reaches of the Yellow River to the Yangtze River Basin onward to the coast. The two civilisations would meet at the confluence of the Indian and Pacific Oceans, from which point there has been a complete world history to speak of. At the same time, however, tianxia put forward a universalist conception of the

1 During the early fifteenth century, the Ming dynasty (1388 – 1644) sponsored a series of seven ocean voyages led by the Chinese navigator and diplomat Zheng He (1371 – 1433). Over a thirty-year period, these naval missions travelled from China to Southeast Asia, India, the Horn of Africa, and the Middle East.

2 Tianxia is an ancient Chinese worldview which dates back over four thousand years and roughly translates to ‘all under heaven’, or the Earth and living beings under the sky. Incorporating moral, cultural, political, and geographical elements, tianxia has been a central concept in Chinese philosophy, civilisation, and governance. According to this belief system, achieving harmony and universal peace for tianxia, where all peoples and states share the Earth in common (天下为公 tiānxià wèi gōng), is the highest ideal.

3 See Yao Zhongqiu, *The Way of Yao and Shun: The Birth of Chinese Civilisation* [尧舜之道：中国文明的诞生] (Hainan Publishing House, 2016), 64 – 74.

world, in which China and the West were considered to share the same ‘world island’. Separated by the ‘Onion Mountains’ (the Pamir Mountains of Central Asia), each civilisation was thought to have its own history, though there was not yet a unified world history, and each maintained, based on their own knowledge, the tianxia order at their respective ends of the world island.

Although the Ming dynasty discontinued its sea voyages after Zheng He’s seventh mission in 1433, some islands in the South Seas (南洋, nányáng, roughly corresponding to contemporary Southeast Asia) became incorporated into the imperial Chinese tributary system (朝贡, cháogòng). This constituted a major change in the tianxia order, compared with the prior Han (202 BCE–CE 9, 25–220 CE) and Tang (618–907 CE) dynasties in which tribute was mainly received from states of the Western Regions (西域, xīyù, roughly corresponding to contemporary Central Asia). More importantly, this southeastward expansion opened a road into the seas for China, as Chinese people of the southeast coast migrated to the South Seas, and with them goods such as silk, porcelain, and tea entered the maritime trade system. Compared with the prosperous Tang and Song (960–1279) periods, overseas trade expanded, with the Jiangnan (江南, jiāngnán, ‘south of the Yangtze River’) economy, which was largely centred on exports, being particularly dynamic; consequently, industrialisation accelerated and China, for the first time, became the ‘factory of the world’.

European nations did not have the upper hand in their trade with China, however they offset their deficit with the silver that they mined in the newly conquered Americas. This silver flowed into China in large quantities and became a major trading currency, leading to the globalisation of silver. Meanwhile, the introduction of corn and sweet potato seeds, native to the Americas, to China contributed to the rapid growth of the nation’s population due to the suitability of these crops to harsh conditions.

However, China’s involvement in shaping a maritime-linked world order also brought about unexpected problems for the country; namely, an imbalance between its economy, which penetrated the maritime system, and its political and military institutions, which remained continental. This contradiction between the land and the sea produced significant tensions within China, eventually leading to the demise of the Ming dynasty. Border conflicts in the north and northeast required significant financial resources, however most of

China's wealth at that time came from maritime trade and was concentrated in the southeast. Consequently, education thrived in this coastal region, resulting in scholar-officials (士大夫, shìdàfū) from the southeast coming to dominate China's political processes and prevent tax reforms to better distribute wealth – instead, the traditional tax system was strengthened, imposing larger burdens on the peasantry.<sup>4</sup> These tensions would eventually come to a head; taxation weighed particularly heavily on northern peasants who mainly lived off farming, leading to their displacement and becoming migrants who eventually overthrew the Ming regime. At the same time, military resources in the north were insufficient, leading to the growing influence of Qing rebel forces in the northeast and their opportunistic advances to the south, culminating in the establishment of the Qing dynasty's (1636–1912) rule over the entire country.

The Qing dynasty originated among the Manchu people of northeast China, who had agricultural and nomadic cultural roots. As Qing forces marched southwards and founded their empire, they made great efforts to establish control over the regions flanking China from the west and north, an arc extending from the Mongolian Plateau to the Tianshan Mountains and to the Qinghai-Tibet Plateau. For thousands of years, these northwest regions were a source of political instability, with successive dynasties trying and failing to unify the whole of China. By integrating these areas into the Chinese state, the Qing dynasty was thus able to achieve this historic political aim of unification. This domestic integration also had an impact on China's international position, with Russia now becoming the country's most important neighbour as the overland Silk Road was rerouted northwards, via the Mongolian steppe, through Russia to northern Europe.

By the mid-to-late eighteenth century, these two 'arcs' of development, on the land and sea respectively, held equal weight but differing significance for China: the land provided security, while the seas were the source of vitality. However, both the land and sea developments contained contradictory dynamics: the regions of the northwestern steppe were not very stable internally while relations with neighbouring Russia and the Islamic world remained stable, on the other hand, the southeastern seas were

4 Scholar-officials were intellectuals appointed to political and government posts by the emperor of China. This highly educated group formed a distinct social class which dominated government administration within imperial China.

stable internally but introduced new challenges for China in the form of relations with Europe and the United States. These land-sea dynamics have historically presented China with unique trade-offs and, to this day, they remain a fundamental strategic issue.

In contrast, European countries benefited more from direct trade with China, and rose to a dominant position within the new global order.

During the sixteenth century, under the increasingly decadent Roman Catholic Church, ethnic nationalism brewed up in Europe, culminating in Martin Luther's Reformation in Germany. Subsequently, Europe entered an era of nation-state building known as the early modern period, characterised by the break-up of the authority of the Roman Catholic Church and the establishment of the sovereignty of secular monarchies, which overcame some of the hierarchies and divisions created by the feudal lords and made all subjects equal under the king's law. The first country to achieve this was England, where Henry VIII banned the Church of England from paying annual tribute to the Papacy in 1533 and passed the Act of Supremacy the following year, establishing the king as the supreme head of the English Church which was made the state religion. This is why England is recognised as the first modern nation, while the constitutional changes were secondary.

The Roman Catholic Church, facing a ruling crisis, sought to open up new pastoral avenues, and began to preach outside of Europe through the voyages of 'discovery'. Christianity gradually became a world religion, one of the most important developments in the last five centuries, with missionaries finally making their way to China, after many twists and turns, in the late sixteenth century.

The Christian missionaries had prepared to spread their message of truth to the Chinese, who they had expected to be 'barbarians'. However, to their surprise, they discovered that China was a powerful civilisation with a sophisticated governance system and religious traditions. Although not believing in the personal gods of the missionaries, the Chinese people had a system of moral principles, a highly developed economy, and an established order. This inspired some missionaries to develop a serious appreciation for

China, including translating Chinese classics and sending the texts back to Europe, where they would have a notable impact on the Enlightenment in Paris.<sup>5</sup>

During the Enlightenment, Western philosophers developed ideas of humanism and rationalism, including notions that human beings are the subject and a ‘creator’ does not exist; humans should seek their own happiness instead of trying to ascend to the kingdom of God; humans can have sound moral beliefs and relations without relying on religion; the state can establish order without relying on religion; direct rule by the king over all subjects is the best political system, and so on. It is important to note, however, that these Enlightenment ideals, which are said to have formed the basis for Western modernity, had been common knowledge in China for thousands of years. As such, the flow of Chinese ideas and teachings to the West through Christian missionaries can be considered an important, if not the only, influence in the development of Western modernisation. Of course, the Western countries have been the main drivers of global modernisation over the last two centuries, but the modernity that it advocates has long been embedded in other cultures, including China. It is necessary to recognise and affirm this fact to understand the evolution of the world today.

In short, during the first stage of world history, which spanned more than 300 years from the early-to-mid fifteenth century to the mid-to-late eighteenth century, an integrated world system began to form, with both China and the West adjusting, changing, and benefiting in their interactions. From the Chinese perspective, this world order was largely fair.

## Stage II: Reversals of fortunes between China and the West

In the mid-to-late eighteenth century, Western countries utilised their

<sup>5</sup> For further reading on this topic, see Zhu Qianzhi, *The Influence of Chinese Philosophy on Europe* [中国哲学对欧洲的影响] (Hebei People's Publishing House, 1999).



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higher levels of industrialisation to secure decisive military superiority, which they abused to conquer and colonise nearly the entire Global South. This brought the world closer together than ever before, but in a union that was unjust and, therefore, unsustainable.

Among the Western countries, England was the first to achieve an advanced stage of industrialisation, for which there was a special reason: colonisation. The British empire appropriated massive amounts of wealth from its colonies, which also served as captive markets for British manufactures. This wealth and market demand, along with England's relatively small population, drove scientific and technological development, and ultimately industrialisation based on the mining of fossil fuels (namely, coal), and production of steel and machinery. During the eighteenth and nineteenth centuries, England would become the wealthiest and most powerful country in the world, with its wealth spreading to western Europe and its colonial settlements such as the United States and Australia. The thriving European powers violently conquered and colonised the outside world through military force including most of Africa, Asia, and the Americas, eventually reaching China's doorstep in the early-to-mid nineteenth century. In the preceding centuries of peaceful trading with China, the Western powers accumulated a large trade deficit, which they now sought to balance through the opium trade. However, due to the severe social consequences of this drug trade, China outlawed the importation of opium in 1800; in response the Western powers launched two wars against China – the First Opium War (1839–1842) and the Second Opium War (1856–1860) – to violently open the country's markets up. After China was defeated, various Western countries, including England, France, Germany, and the United States, forced China to sign unequal treaties granting these nations trade concessions and territories, including Hong Kong. As a result, the *tianxia* order began to crumble and China entered a period referred to as the 'century of humiliation' (百年国耻, *bǎinián guóchǐ*).

China's setback was rooted in the long-standing imbalance between its marine-oriented economy and continental military-political system. First, China's market relied heavily on foreign trade, but the Qing government failed to develop a sovereign monetary policy, resulting in the trade flow being constantly controlled by foreign powers. Silver from abroad became

China's de facto currency and, with the government unable to exercise effective supervision, the country lost monetary sovereignty and was vulnerable to the fluctuations of silver supplies, destabilising the economy. Second, China's natural resources were over-exploited to produce large amounts of exports; as a result, the country's ecological environment was severely damaged. Constrained by both market and resource limitations, China's endogenous growth hit a chokepoint, as productivity plateaued, employment declined, and surplus populations became displaced, leading to a series of major rebellions in the early-to-mid nineteenth century. It was in this context that the West showed up at China's doorstep.

Under the pressure of both domestic problems and external aggression, China embarked on the path of 'learning from the outside world to defend against foreign intervention' (师夷长技以制夷, *shī yí zhǎng jì yǐ zhì yí*), which has been fundamental theme of Chinese history over the past century or so. This formulation, despite having been ridiculed by many since the 1980s following the initiation of China's economic reforms, epitomises the country's strategy. On the one hand, China has closely studied the key drivers of Western power, namely industrial production, technological development, economic organisation, and military capability, as well as methods for social mobilisation based on the nation-state. On the other hand, China has sought to learn from other countries for the purpose of advancing its development, securing its independence, and building upon its own heritage.

Until the mid-twentieth century, however, this path did not yield significant changes for China, fundamentally due to its inadequate state capacity, which deteriorated even further after the Qing dynasty fell in 1911. In fact, several initiatives undertaken in the late Qing period to strengthen the state, generated new problems in turn; for example, the 'New Army' (新军, *xīnjūn*) which was established in the late-nineteenth century in an effort to modernise China's military would turn into a secessionist force. Meanwhile, theories of development advocated by scholar-officials in this period, such as the concept of 'national salvation through industry' (实业救国, *shíyè jiùguó*), were impossible to implement due to the state's inability to provide institutional support. As such, trade remained China's fastest growing economic sector, which, despite bringing short-term economic benefits,

resulted in China becoming further subordinated to the West.

However, by the time of the Second World War, which was preceded by China's War of Resistance Against Japanese Aggression (1937–1945), the country's international position began to improve, while the West experienced a relative decline. The Second World War and anti-colonial struggles for national liberation dealt a crushing blow to the old imperialist order, as the Western powers were forced to retreat, initiating a decline as they were no longer able to reap colonial dividends. Countries across Asia, Africa, and Latin America, including China, won their independence; meanwhile, the Soviet Union, stretching across Eurasia, emerged as a significant rival to the West. Amid these global convulsions, China's weight on the international stage dramatically increased and it became an important force.

In this global context, China began its journey toward national rejuvenation, with two main priorities. The first priority was political; emulating the Soviet Union, China's Nationalist and the Communist parties established a strong state, which had been the cornerstone of Western economic development, while the lack of state organisation and mobilisation capacity was the greatest weakness of the Qing dynasty in the face of Western powers. The second priority was industrialisation, which advanced in a step by step manner in three phrases.

The first breakthrough in industrialisation took place after the Chinese Revolution in 1949 and was made possible by the help of the Soviet Union, which exported a complete basic industrial system to China. Although this system had serious limitations, which came to a head by the 1970s and 1980s, it allowed China to develop a comprehensive understanding of the systematic nature of industry, especially the underlying structure of industrialisation, that is, heavy industry.

The second breakthrough in industrialisation came after China established diplomatic relations with the United States in the 1970s and began to import technologies from the US and European countries. During this phase, China focused on the development of its southeast coast, a region which had a longstanding history of rural commerce and industry. With

the support of machinery and knowledge gained during the first round of industrialisation, the consumer goods sector in the southeast coastal areas was able to develop rapidly at the township level, the level of government which had the most flexibility. By absorbing a large amount of workers, the labour-intensive industrial system significantly improved livelihood for the people.

The third breakthrough in industrialisation, beginning at the turn of the century, was driven by the traditional emphasis for a strong state and a desire to continue the revolution, saw the government devote its capacity to building infrastructure and steering industrial development. As a result, China experienced continuous growth in industrial output and kept moving upwards along the industrial chain, creating the largest and most comprehensive manufacturing sector in the world. The global economic landscape thus changed dramatically.

Today, China is in the midst of its fourth breakthrough in industrialisation, which revolves around the application of information technology to industry. In the current period, the United States is worried about being overtaken by China, which has prompted a fundamental change in bilateral relations and ushered in an era of global change.

In short, at the heart of the second stage of world history were the shifting dynamics between China and the West: For more than 100 years since the early nineteenth century, the Western powers were on the upswing while China experienced a downturn; since the Second World War, however, the trends have reversed, with China on the rise and the West declining. Now it appears that the critical point in this relationship is approaching, where the two sides will reach equivalent positions, exhausting the limits of the old world order.

## **Stage III: The decline of the US-led order**

In the wake of China's rise, the old, Western-dominated world order has

been overwhelmed, however, the real trigger for its collapse is the instability resulting from the fact that the United States has been unable to secure the unipolar global dominance which it pursued after the end of the Cold War.

Historically, the Roman empire could not reach India, let alone venture beyond the Onion Mountains; in the other direction, the Han and Tang dynasties could have hardly maintained their power even if they had managed to cross this range. The structural equilibrium for the world is for nations to stay in balance, rather than be ruled by a single centre.

Even the immense technological advances in transportation and warfare have been unable to change this iron law. Prior to the Second World War, the Western powers had penetrated nearly all corners of the world; despite their competing interests and the force needed to maintain their colonies, this system of rule was, in a way, more stable than the current order by distributing power more broadly across the several countries. Meanwhile, in the postwar period, the Soviet Union and the West formed opposing Cold War blocs, with each camp having its own scope of influence and balanced, to an extent, by the other.

In contrast, following the end of the Cold War, the United States became the sole superpower, dominating the entire world. The United States, as the most recently established Western country, the last 'New World' to be 'discovered' by the Europeans, and the most populous of these powers, was destined to be the final chapter in the West's efforts to dominate the world. The United States confidently announced that their victory over the Soviet Union constituted 'the end of history'. However, ambition cannot bypass the hard constraint of reality. Under the sole domination of the United States, the world order immediately became unstable and fragmented; the so-called Pax Americana was too short-lived to be written into the pages of history. After the brief 'end of history' euphoria under the Clinton and Bush administrations, the Obama era saw the United States initiate a 'strategic contraction', seeking to unload its burdens of global rule one after another.

In addition to external costs, Washington's fleeting pursuit of global hegemony also induced internal strains. Although the United States reaped

many dividends from its imperial rule by developing a financial system in which capital could be globally allocated, this came with a cost; as a Chinese saying goes, 'a blessing might be a misfortune in disguise' (福兮祸所依, fú xī huò suǒ yī). The boom of the US financial sector, along with the volatile speculation that feeds off it, has caused the country to become deindustrialised, with the livelihoods of the working and middle classes bearing the brunt. Due to the self-protective measures of emerging countries such as China, it was impossible for this financial system to fully extract sufficient external gains to cover the domestic losses suffered by the popular classes due to deindustrialisation. Consequently, the US has developed extreme levels of income inequality, and become sharply polarised, with increasing division and antagonism between different classes and social groups.

Deindustrialisation is at the root of the US crisis. Western superpowers were able to tyrannise the world during the nineteenth century, including their bullying of China, mainly due to their industrial superiority, which allowed them produce the most powerful ships and cannons; deindustrialisation causes the supply of those 'ships and cannons' to become inadequate. Even the US military-industrial system has become fragmentary and excessively costly due to the decline of supporting industries. The US elite realises the gravity of this problem, but successive administrations have struggled to address the issue; Obama called for reindustrialisation but made no progress due to the deep impasse between Republicans and Democrats, a dynamic that inhibits effective government action, which Francis Fukuyama termed the 'vetocracy'; Trump followed this up with the timely slogan 'Make America Great Again', promising to make the US the world's strongest industrial power once more; and this intention can also be seen in the incumbent Biden administration's push for the enactment of the CHIPS and Science Act and other initiatives aimed at boosting domestic industrial development. However, as long as US finance capital can continue to take advantage of the global system to obtain high profits abroad, it cannot possibly return to domestic US industry and infrastructure. The United States would have to break the power of the financial magnates in order to revive its industry, but how could this even be possible?

In contrast to the deindustrialisation which has taken place in the United States, China is steadily advancing through its fourth breakthrough of industrialisation and rising towards the top of global manufacturing, relying on the solid foundation of a complete industrial chain. Fearing that they will be surpassed in terms of 'hard power', the US elite has declared China to be a 'competitor' and the nature of relations between the two countries has fundamentally changed.

The US elite have long referred to their country as the 'City upon a Hill', a Christian notion by which it is meant that the United States holds an exceptional status in the world and is a 'beacon' for other nations to follow. This deep-seated belief of superiority means that Washington cannot accept the ascendance of other nations or civilisations, such as China, which has been following its own path for thousands of years. China's economic rise and, consequently, its growing influence in reshaping the US-led global order is nothing more than the world returning to a more balanced state; however, this is sacrilegious to Washington, comparable to the rejection of religious conversion for missionaries. It is clear that the US elite have exhausted their goodwill for China, are united in pursuing a hostile strategy against it, and will use all means to disrupt China's development and influence on the world stage. Washington's aggressive approach has, in turn, hardened the resolve of China to extricate itself from the confines of the US-led global system. Pax Americana will only allow China to develop in a manner which is subordinated to the rule of the United States, and so China has no choice but to take a new path and work to establish a new international order. This struggle between the United States and China is certain to dominate world headlines for the foreseeable future.

Nevertheless, there are several factors which decrease the likelihood that the struggle will develop in a catastrophic manner. First, the two countries are geographically separated by the Pacific ocean; and, second, although the United States is a maritime nation adept at offshore balancing, it is much less capable of launching land-based incursions, particularly against a country such as China which is a composite land-sea power with enormous strategic depth. As a result, US efforts to launch a full-scale war against China would be nonviable; even if Washington instigated a naval war in the Western Pacific, the odds would not be in its favour. On top of these

two considerations, the United States is, in essence, a ‘commercial republic’ (the initial definition given for the country by one of its Founding Fathers, Alexander Hamilton), meaning that its actions are fundamentally based on cost-benefit calculations; China, on the contrary, is highly experienced in dealing with aggressive external forces.<sup>6</sup> Altogether, these factors all but guarantee that a full-frontal war between the two countries can be entirely avoided.

In this regard, the shifting positions of China and the United States vary greatly from similar dynamics in the past, such as the evolving hegemony on the European continent in recent centuries. In the latter context, the narrow confines of Europe cannot allow for multiple major powers, whereas the vast Pacific Ocean certainly can. This situation constitutes the bottom line of the relationship between the two countries. Therefore, while China and the United States will compete on all fronts, as long as China continues to increase its economic and military strength and clearly demonstrates its willingness to use that power, the United States will retreat in the same rational manner as its former suzerain, Britain, did. Once the United States withdraws from East Asia and the Western Pacific, a new world order will begin to take shape.

Over the past few years, China’s efforts in this respect have paid off, causing some within the United States to recognise China’s power and determination, and adjust their strategy accordingly, pressuring allied countries to bear greater costs to uphold the Western-led order. Despite the posturing of the Western countries, there is, in fact, no such ‘alliance of democracies’; the US has always based its alliance system on common interests, of which the most important is to work together, not to advance any high-minded ideal, but to bleed other countries dry. Once these countries can no longer secure external profits together, they will have to compete with each other and their alliance system will promptly break up. In such a situation, the Western countries would return to a state similar to the period before the Second World War; fighting each other for survival rather than to carve the world into colonies. This battle of nations, although not necessarily through hot war, could cause the Western countries to

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6 Alexander Hamilton, John Jay, and James Madison, *The Federalist Papers* [联邦党人文集], trans. Cheng Fengru, Han Zai, and Xun Shu (The Commercial Press, 1995).

backslide to their early modern state.

The willingness of the United States to do anything in its pursuit of profit, has led to the rapid crumbling of its value system. Since former President Woodrow Wilson led the country to its position as the leader of the world system, values have been at the core of the US appeal. At that time, Wilson held sway with many Chinese intellectuals, though disillusion soon followed; meanwhile, today, the myth of the 'American dream' and universal values of the United States remains charismatic to a considerable proportion of Chinese elites, however, the experience of the Trump presidency has torn the mask off these purported values. The United States has openly returned to the vulgarity and brutality of colonial conquest and westward expansion.

In addition, the current generation of Western elites suffers from a deficit in its capacity for strategic thinking. Many of the leading strategists and tacticians of the Cold War have now died, and amid hubris and dominance of the two decade 'end of history' era, the United States and European countries did not really produce a new generation of sharp intellectual figures. Consequently, in the face of their current dilemmas, the best that this generation of elites can offer is nothing more than repurposing old solutions and returning to the vulgarity of the colonial period.

This kind of vulgarity may be shocking to some, however it has deep roots in US history: from the Puritan colonists genocide against indigenous peoples in order to build their so-called 'City upon a Hill'; to many of its founding fathers having been slave owners, who enshrined slavery in the Constitution; to the Federalist Papers which designed a complex system of separation of powers to guarantee freedom, but coldly discussed war and trade between countries; and to the country's obsession with the right to bear arms, giving each person the right to kill in the name of freedom. Thus, we can see that Trump did not bring vulgarity to the United States, but only revealed the hidden tradition of the 'commercial republic' (it is worth noting that, in the Western tradition, merchants also tended to be plunderers and pirates).

Today, the United States has nearly completed this transformation of its

identity: from a republic of values to a republic of commerce. This version of the country does not possess the united will to resume its position as leader of the world order, as evidenced by the strong and continued influence of the ‘America First’ rhetoric. The rising support among certain sections of the US population for such political vulgarity, will encourage more politicians to follow this example.

The world order continues to be led by a number of powerful states, but is in the midst of great instability as efforts to strengthen the European Union have failed, Russia is likely to continue to decline, China is growing, Japan and South Korea lack real autonomy, and the United States, due to financial pressures, is rapidly shedding its responsibilities to support the network of post-war global multilateral institutions and alliances and instead seeks to build bilateral systems to maximise its specific interests. Put simply, the world order is falling apart; presently, the relevant questions are related to how rapid this breakdown will be, what an alternative new order should look like, and whether this new order can emerge and take effect in time to avoid widespread serious global instability.

A new international order has begun to emerge amid the disintegration of the old system. The main generative force in this dynamic is China, which is already the second largest economy in the world and is a civilisation that is distinct from the West.

China is one of the largest countries in the world and its long history has endowed it with experiences that are relevant to matters of global governance. With its immense size and diversity, China contains a world order within itself and has historically played a leading role in establishing a tianxia system that stretched over land and sea, from Central Asia to the South Seas. Alongside its rich history, China has also transformed itself into a modern country over the past century, having learned from Western experiences and its own tradition of modernity. By sharing the wisdom of its ancient history and the lessons of its modern development, China can play a constructive role in global efforts to address imbalances in the world order and build a new system in three major ways.

### 1. The restoration of balanced global development

The classical order on the ‘world island’ (世界島, shì jiè daǎo, roughly corresponding to Eurasia) leaned toward the continental nations, while the modern world order has been largely dominated by Western maritime powers. As a result, the world island became fractured, with the former centre of civilisation becoming a site of chaos and unending wars. Pax Americana was unable to establish a stable form of rule over the world island, as the United States was separated from this region by the sea and was unable to form constructive relations with non-Western countries. Therefore, the United States was only able to maintain a maritime order, rather than a world order. It relied on brutal military interventions into the centre of the world island, hastily retreating after wreaking havoc and, leaving the region in a perpetual state of rupture.

Conversely, China’s approach to the construction of a new international order is that of ‘listening to both sides and choosing the middle course’ (执两用中, zhí liǎng yòng zhōng). Historically, China successfully balanced the land and sea; during the Han and Tang dynasties, for instance, China accumulated experience in interacting with land-based civilisations, meanwhile, since the Song and Ming dynasties, China has been deeply involved in the maritime trade system. It is based on this historical experience that China has proposed the Belt and Road Initiative (BRI), of which the most important aspect is the incorporation of the world island and the oceans, accommodating both the ancient and modern orders. The BRI offers a proposal to develop an integrated and balanced world system, with the ‘Belt’ aiming to restore order on the world island, while the ‘Road’ is oriented towards the order on the seas. Alongside this initiative, China has built corresponding institutions, such as the Shanghai Cooperation Organisation (SCO).

## 2. Moving beyond capitalism and promoting people-centred development

The system on which Western power and prosperity has been built is capitalism, rooted in European legacies of the merchant-marauder duality and colonial conquest, driven by the pursuit of monetary profits, managing capital with a monstrously developed financial system, and hinging on trade. Under capitalism, the Western powers have viewed countries of the Global

South as ‘others’, treating them as hunting grounds for cheap resources or markets. Although the Western powers have been able to occupy and spread capitalism to much of the world, they have not been able to widely cultivate prosperity, too often tending towards malicious opportunism; for those countries that do not profit from colonialism, but suffer from its brutal oppression, the system is nonviable. As a result, since the Western powers took charge of the world in the nineteenth century, the vast majority of non-Western countries have been unable to attain industrial or modern development, a track record which disproves the purported universality of capitalism.

The ancient Chinese sages advocated for a socioeconomic model that Dr. Sun Yat-sen, a leader in the 1911 revolution to overthrow of the Qing dynasty and the first president of the Republic of China, called the ‘Principles of People’s Livelihood’ (民生主义, mínshēng zhǔyì) which can be rephrased as ‘the philosophy of benefiting the people’ (厚生主义, Hòushēng zhǔyì). This philosophy, which values the production, utilisation, and distribution of material to allow people to live better and in a sustainable manner, dates back over 2000 years, appearing as early as the Book of Documents (尚书, shàngshū), an ancient Confucian text. Guided by this philosophy, a policy of ‘promoting the fundamental and suppressing the incidental’ (崇本抑末, chóngběn yìmò) was adopted in ancient China to orient commercial and financial activities towards production and people’s livelihood. Today, China has rejuvenated this model and begun to share it with other countries through the BRI, which has taken the approach of teaching others ‘how to fish’, emphasising the improvement of infrastructure and advancement of industrialisation.

China, which is now the world’s factory and continues to upgrade its industries, is also driving a reconfiguration of the world’s division of labour: upstream, accepting components produced by cutting-edge manufacturing in Western countries; downstream, transferring productive and manufacturing capacity to underdeveloped countries, particularly in Africa. As the world’s largest consumer market, China should access energy from different parts of the world in a fair and even manner, and promote global policies which emphasise production (‘the fundamental’) and minimise financial speculation (‘the incidental’).

### 3. Towards a world of unity and diversity

When the European powers established the current world order, they generally pursued ‘homogenisation’, inclined to use violence to impose their system on other countries and inevitably creating enemies. The United States, influenced by Christian Puritanism, tends to believe in the uniformity of values, imposing its purported ‘universal values’ on the world, and denouncing any nation that differs from its conceptions as ‘evil’ and an enemy. During ‘the end of history’ period, this tendency was exemplified by the so-called War on Terror which launched invasions and missiles throughout the Middle East. Despite this preoccupation with homogenisation, the US-led order is being unravelled by rampant polarisation, broken apart by intensifying cultural and political divisions.

China, on the other hand, tells a different story. For millennia, based on the principle of ‘multiple gods united in one heaven’ or ‘one culture and multiple deisms’, various religious and ethnic groups have been integrated within China through the worship of heaven or the culture, thus developing the nation and the tianxia system of unity and diversity. Universal order or harmony can neither be attained through violent conquest nor through the preaching and imposition of values to change ‘the other’ into ‘self’, but rather by recognising the autonomy of ‘the other’; as put in *The Analects of Confucius* (论语·季氏, *lúnyǔ·jìshì*), ‘...all the influences of civil culture and virtue are to be cultivated to attract them to be so; and when they have been so attracted, they must be made contented and tranquil’ (修文德以来之, 既来之, 则安之, *xiūwén dé yǐlái zhī, jì lái zhī, zé ānzhī*). By and large, it is along this path of harmony in diversity that China today conducts international relations.

China should understand the building of a new international order through the lens of revitalising the tianxia order, and its approach should be guided by the sages’ way of ‘harmonising all nations’ (协和万邦, *xiéhé wànbāng*) to pacify the tianxia. The process of constructing a new international order, or a revitalised tianxia order, should adhere to the following considerations:

1. A tianxia order will not be built at once but progressively. A Chinese

idiom can be used to describe the China-led process of forming a new global system: ‘Although Zhou was an old country, the (favouring) appointment alighted on it recently’ (周虽旧邦, 其命维新, zhōu suī jiù bāng, qí mìng wéixīn). Zhou was an old kingdom that was governed by moral edification; its influence gradually expanded, first to neighbouring states and then beyond, until two thirds of the tianxia paid allegiance to the kingdom and the existing Yin dynasty (c. 1600–1045BCE) was replaced by the Zhou dynasty (c.1045– 256 BCE). In approaching the construction of a new international order and revitalising the concept of tianxia, China should follow this progressive approach to avoiding a collision with the existing hegemonic system. The concept of tianxia refers to a historical process without end.

2. Virtue and propriety are the first priority in maintaining the emerging tianxia system. A tianxia system aims to ‘harmonise all nations’, not to establish closed alliances or demand homogeneity. China should promote morality, decency, and shared economic prosperity in relations between nations and international law. What distinguishes this approach from the existing system of international law is that, in addition to clarifying the rights and obligations of each party, it also emphasises building mutual affection and rapport between nations.

3. A tianxia order will not seek to monopolise the entire world. The world is too large to be effectively governed by any country alone. The sages understood this and so their tianxia order never attempted to expand all over the known world at the time, nor did later generations; for instance, Zheng He came across many nations during his voyages to the Western Seas, but the Ming dynasty did not colonise and conquer them, nor did he include them all in the tributary system, but instead allowed them to make their own choices. Today, China does not seek to impose any system onto other countries; with such moderation, the struggle for hegemony can be avoided.

4. A new international order will consist of several regional systems. Instead of a world system governed by one dominant country or a small group of powers, a new global order will likely be made up of several regional systems. Across the world, countries with common geographies, cultures,

belief systems, and interests have already begun to form their own regional organisations, such as in Africa, Asia, Latin America, the Middle East, and the Atlantic states; China should focus on the Western Pacific and Eurasia.

The concept of regional systems shares some similarities with Samuel Huntington's division of civilisations, however, importantly, it does not necessitate any clash between them. As a large country and land-sea power, China will likely overlap with multiple regional systems, including both maritime- and land-based regional systems. China, which literally means 'the country of the middle', should serve as a harmoniser between different regional systems and act to mitigate conflict and confrontation; in this way, a new international order of both unity and diversity can emerge.

A new architecture of global governance will be built gradually, with layers nested upon each other from the inside out. To this end, China's efforts should begin in the innermost layer to which it belongs, East Asia. Traditionally, China, the Korean peninsula, Vietnam, Japan, and other countries in this region formed a Confucian cultural sphere; however, after the Second World War, despite these nations successfully modernising, relations between them have deteriorated due to the pressures of foreign powers, such as the United States and Soviet Union. China's efforts to reorganise the world order must start from here, by revitalising this shared heritage, developing coordinated regional policies based on the 'Principles of People's Livelihood', and demonstrating improved standards of prosperity and civility for the world. As the achievements and strength of such regional efforts grow, the power of the United States and its world order will inevitably fade out, and the process of global transformation will rapidly accelerate.

After the inner layer of East Asia, the next-most nested layer, or middle layer, that China should focus on is the heart of the world island, Eurasia. Central to these regional efforts is the SCO, in which China, Russia, India, and Pakistan are already member states, Iran and Afghanistan are observer states, and Turkey and Germany can be invited. Due to its economic decline and weakening global influence, Russia is likely to increase its focus on its neighbouring regions, namely Central Asia, and to participate more actively in the SCO, including assisting in efforts to promote harmonious relations

and development in the region and minimising conflict. The stability of Eurasia is key, not only to the security and prosperity of China, particularly its western regions, but to overall global peace.

Finally, the outermost layer for China is the institutionalised BRI, which connects nations and regions across the world. Proposed by President Xi Jinping in 2013, to date China has signed more than 200 BRI cooperation agreements with 149 countries and 32 international organisations.

## Concluding remarks

The evolution and future direction of the world order cannot be understood without examining the shifting relationship between China and the West over the past five centuries. In the early modern era, the Western powers were inspired by China in their pursuit of modernisation; in the past century, China has learned from the West. The reemergence of China has shaken the foundations of the old Western-dominated world order and is a driving force in the formation of a new international system. Amid the momentous changes in the global landscape, it is necessary to recognise the strengths and limits of Western modernity, ideologies, and institutions, while also appreciating the Chinese tradition of modernity and its developments in the current era. For China, this requires a restructuring of its knowledge system, guided by a new vision which is inspired by classical Chinese wisdom: ‘Chinese learning as substance, Western learning for application’ (中学为体，西学为用, Zhōngxué wèi tǐ, xīxué wèi yòng).

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# Building the New ‘Three Rings’: Reconfiguring China’s Foreign Relations in the Face of Decoupling



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The ‘special military operation’ launched by Russia against Ukraine, along with the attendant stalemate that has set in between the West and Russia, are landmark events that signal the approaching end of the globalisation wave that began in the 1980s. The absurd efforts of the United States to bully its allies into enacting murderous sanctions against Russia and to brow-beat other countries into taking sides in this conflict, have brought the world to a state reminiscent of the deadly global struggles of the twentieth century ago. These developments pose a major challenge to China; the end of this wave of globalisation means that

the country will no longer have the same external environment for development that it has enjoyed for the past forty years, and that the US will likely intensify its push to re-establish its domination over the international system and to decouple from China and Russia. The world has undergone a paradigm shift.<sup>1</sup> In the face of a potential forced and complete decoupling from the United States and Western countries, China must take initiative and adjust its foreign strategic orientation, reprioritising the countries that it engages with in order to develop a new international order that would safeguard against the repercussions of this decoupling.

## The Unspoken Rule of the International Order: The Centre-Periphery Power Structure

During the three decades since the collapse of the Soviet Union, relations between Russia and the West have vacillated. Initially, Russia pursued friendly ties with the US and Western countries, then it gradually grew apart from them, and now it has entered into a fierce confrontation. The evolution of this relationship reflects the political limits of globalisation. Unlike the romantic notions of globalisation that were ascendant following the end of the Cold War, in reality, this era saw the establishment of US hegemony and the dismemberment of the Soviet Union and the socialist camp. This process of globalisation and the US pursuit of global supremacy are two sides of the coin; they condition and promote each other. The inability of this system to promote international equality, with developed and developing countries locked into a relationship of dominator and follower states, means that it cannot continue endlessly. On the one hand, globalisation is abandoned, reversed, or redesigned when it backfires on its initiators, threatening their superiority; on the other hand, countries will continue to resist when powerful states relentlessly pursue domination.<sup>1</sup> Russia's special military operation against Ukraine was the result of the domineering nature of this round of globalisation, and has brought the US-dominated system to a standstill.

The decades-long eastward expansion of the North Atlantic Treaty

1 Cheng Yawen, 'Political Limits of Globalisation' [全球化的政治限度], *Dushu* [读书], no. 11 (2020).

Organisation (NATO) was the main reason for Russia's preemptive strike. This military buildup was not only a security issue but also an economic issue, as part of US efforts to marginalise Russia. Russia's efforts to leverage globalisation to achieve national development and become a central country in the world order, ran counter to the logic of US-led globalisation. Global capital, financial capital in particular, has mainly concentrated on Russia's energy, grains, and minerals, sectors which it can exploit for extravagant profits. However, during the tenure of Russia's President Vladimir Putin, the state has strengthened its grip on key sectors concerning national security and people's livelihoods, and has sought to build a Eurasian economic union to create space for its own economic growth; all of this has upset foreign capital. NATO's eastward expansion is a manifestation of capital's control over politics to achieve market expansion. If Russia cannot respond effectively to the efforts to squeeze its development space and exacerbate its marginalisation, it will become even more deeply confined to being a producer of primary goods and lose access to great power politics, increasing the likelihood of a domestic political crisis, which Russian elites wish to avoid.

The power structure of the contemporary world order has been laid bare by NATO's eastern expansion and the comprehensive sanctions regime imposed by Western countries on Russia. In the aftermath of the Second World War, the European colonial system began to fade out and, during the last half of the twentieth century, the world order became centred on the United Nations and international law, namely the principle of the sovereign equality of states. However, the hierarchical centre-periphery order of the European colonial system has not actually disappeared, but instead continues to exist in an implicit and hidden manner. The absolute power hierarchies which were enforced by colonial diktat have been replaced by an international order based on 'common but differentiated' responsibilities, in which states are sovereign equals on the surface but unequal in their actual operation of power.<sup>2</sup> Although the United States and its allies refer to this international system as a 'rules-based' order where every nation is bound to observe the same rules, in fact, it revolves around the West rather than the UN and international law.

Post-war US hegemony is the modern incarnation of the global centre-periphery order. The International Group of Seven (G7), established in the 1970s, holds annual meetings at which Canada, France, Germany, Italy, Japan,

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2 Cheng, 'Understanding the Paradigm Shift'.

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the United Kingdom, and the United States discuss not only the affairs of these seven countries, but also global issues for which they negotiate and determine international rules. The so-called rules-based order is indeed an order based on the rules made by Western countries and their allies. What matters here is who makes the rules. In this global system, the division of labour, money supply, industrial production, and rule-making are the exclusive purview of a select few countries. The advantageous position of these countries would be broken up if other countries attempted to join their club, disrupting the rule-making authority, monetary dominance, and technological superiority maintained through the intellectual property rights regime. China's unexpected economic rise in recent decades has broken precisely this post-war centre-periphery world order, threatening the structural privileges of the Western countries, which had never imagined that China could enter the centre of the global stage (even if China is only approaching this position and has not yet arrived). As a result, the United States has labelled China as its 'strategic competitor' in recent years and demonstrated its willingness to use any means to halt China's development.

Both NATO's eastward expansion and Washington's attempt to contain China suggest that the US and Western countries only seek to maintain and reinforce their own positions of power in the world order. The Russia-Ukraine conflict and the comprehensive Western sanctions against Russia have further underscored the truth about the global system: the majority of the world find themselves in the 'countryside' of the global periphery whereas only a select few countries sit in the 'cities' of the global centre, at the core of which is the United States. These countries do not wish to see the 'countryside' turn into 'cities', as they are. China and Russia hinder the global 'city centre' in two key aspects: on the one hand, due to their strong capacity to control capital, the two countries are the largest remaining territories in the world that have not been subject to the arbitrary domination of capitalist globalisation; on the other hand, their national strength is much greater than most countries and impedes efforts of the 'city centre' to further control the 'countryside' of the global periphery. During this wave of globalisation, China has departed from the 'countryside' for the 'city' with its strong economic growth and overall growth in national strength. The countries at the centre, despite their earlier enthusiastic praise for globalisation, are now leading 'deglobalisation' efforts,

exposing the limits of the universality of the post-war international order. China and the other nations of the ‘countryside’ joining the ‘cities’ is simply intolerable to the central countries.

## The Base of Support for Multilateralism Is in the Global South

Since the 1980s, China has pursued reform and opening up and promoted international cooperation, including, over the last decade, advancing a proposal for the building of ‘a community with a shared future for humanity’ (人类命运共同体, rénlèi mìngyùn gòngtóngtǐ). These efforts can be traced back to the ancient Chinese idea of ‘the great unity under heaven’ (天下大同, tiānxià dàtóng); however, this ‘great unity’ cannot be achieved by China’s desire alone. In the current context of all-out hostility from the US-led West towards Russia and China, the world can no longer be viewed in a mechanical manner and simply assumed to be united around peace and development. Instead, it is necessary to seriously consider the threats of competition, conflict, and war; even if war is excluded from the likely outcomes, it is clear that it is no longer possible for China to continue to pursue its path of development in the Western-dominated system of globalisation. As such, China must reassess its answer to the primary question in foreign relations: which countries are potential partners for China, now and in the future, and which countries will China find it difficult to establish or maintain partnerships with?

As a well-known Chinese idiom goes, similar things group together and similar people fit together (or, birds of a feather flock together). The same applies to nations; those nations which share similar experiences, contexts, and challenges are more likely to form an enduring cooperative relationship. Since the nineteenth century, the world has undergone a global transformation driven by three key components, industrialisation, rational state-building, and ideologies of progress, shifting from a polycentric world with no dominant centre to a highly interlinked and hierarchical core-periphery order in which the centre of gravity resided in the West.<sup>3</sup> Between

3 Barry Buzan and George Lawson, *The Global Transformation: History, Modernity, and the Making of International Relations* [全球转型：历史、现代性与国际关系的形成], trans. Sui

the mid-to-late nineteenth century and the early twentieth century, imperialism and globalisation were two sides of the same coin: imperialism has driven globalisation while globalisation reinforced imperialism. Together, these related processes have trapped the peripheral nations of the world in a prison of underdevelopment, from which it is extremely difficult to break free. The West, as the former centre of the international system and the birthplace of imperialism, produced both the modern colonial order as well as the system of US hegemony that has dominated the world since the mid-to-late twentieth century. Meanwhile, many revolutionary movements, namely the anti-colonial struggles of the past century, have fought to overcome the inequality and injustice of this global centre-periphery power structure.

In this unequal world order, the central countries do not fairly welcome peripheral countries to the centre and oppose revolutions in the periphery. Consequently, to liberate themselves from subordination and exploitation, peripheral countries have to work together and, occasionally, exploit the rifts between those states at the centre, tactically cooperating with central states when it can advance the struggle. Over the past century, during the Chinese Revolution and the consolidation of state power, the main external forces that China depended on for support came from the global periphery. In the first half of the twentieth century, the Communist Party of China (CPC) was a member of the Communist International, an alliance of state and nonstate actors among the colonised and oppressed peoples of the world. During the War of Resistance Against Japanese Aggression (1931–45), China joined the World Anti-Fascist War, upheld the anti-imperialist banner, and furthered the struggle to dismantle the unequal global structures created by imperialist states. After the People's Republic of China (PRC) was founded in 1949, China placed a great deal of emphasis on cooperation with the countries of the Third World and supported the anti-colonial movements and post-independence development across Asia, Africa, and Latin America. Of particular importance was China's active participation in the Bandung Conference of 1955 – an important step in the eventual creation of the Non-Aligned Movement in 1961 – where its proposal of the Five Principles of Peaceful Coexistence (和平共处五项原则, héping gòngchǔ wǔ xiàng yuánzé) for international relations

was well received; the conference became a milestone in China's relations with the Global South, where cooperation and solidarity gained positive momentum.<sup>4</sup> It was with the support of peripheral countries that the PRC regained its rightful seat in the United Nations in 1971 and became a permanent member of the Security Council.

The mutual solidarity and support between China and the countries of Asia, Africa, and Latin America has remained a key feature of China's approach to international relations, which emphasises multilateral cooperation with developing countries of the Global South to defend national sovereignty and development in a joint struggle against the unequal and unjust international order structured by the central countries. Despite focusing on relations with peripheral countries, under the framework of 'omnidirectional diplomacy' (全方位外交, *quán fāngwèi wàijiāo*), China remains open to engaging and developing friendly cooperation with Western developed countries and other major powers. However, it should be noted that, in the past, the interaction and cooperation between China and the countries at the centre always bore two preconditions: on the one hand, China insisted on developing foreign relations premised on independence, equality, and mutual benefit, and opposed the existing power hierarchies in international relations; on the other hand, the central countries placed a ceiling on their collaboration with China, namely, the position of Western countries at the centre of the global power structure could not be altered. Whenever either of these two preconditions were not met, China, as a member of the developing world, faced serious challenges in deepening its cooperation with the Western countries, especially on political matters.

## Adjusting the Geographic Priorities of China's Foreign Relations

Over the last forty years, setting aside ideological differences and institutional disparities between countries, China has sought to work with all the other nations. Gradually, China's international relations came to be

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4 Hong Liu, 'China Engages the Global South: From Bandung to the Belt and Road Initiative', *Global Policy* 13, no. S1 (2022): 11-22.

guided by the following logic: the major powers are the key; surrounding areas are the first priority; developing countries are the foundations; and multilateral forums are the important stage. However, as the current era of globalisation comes to an end, this approach has increasingly encountered obstacles. The US-initiated process of decoupling from China in terms of economic, technological, knowledge, and people-to-people exchanges – a process that Washington has coerced other Western countries into joining – is unlikely to be reversed and instead, due to the Russia-Ukraine war, it could intensify even further.

Since its founding in 1949, the PRC has undergone several significant shifts in its foreign policy direction, all of which occurred in response to specific historical situations; from the advocacy of the Five Principles of Peaceful Coexistence in the early years of the PRC, to the Three Worlds Theory proposed amid the normalisation of the China-US relations in the 1970s, to the emphasis on developing partnerships with Western countries as part of transition to reform and opening up after 1978. The contemporary situation is defined by, what China's President Xi Jinping has called, 'major changes unseen in a century' (百年未有之大变局, *bǎinián wèi yǒu zhī dà biànjú*) and the increasing tendency of Western states to suppress challenges to their authority. Especially in the period since war broke out between Russia and Ukraine, Western states have revealed their willingness to gang up on, pressure, and contain developing countries, a feature of the current Western-dominated order that will undermine international relations for some time. China cannot help but be highly alarmed by the punitive measures that the West has imposed on Russia, as they could also be imposed on China in a similar manner in the future. For this reason, it is urgently necessary that China re-examines its multilateralist tradition and re-orientes the geographic configuration of its foreign relations, strengthening its partnerships with developing countries of the Global South to foster a new international environment that is conducive to China's national security and long-term development.

In 1974, Mao Zedong set forth his Three Worlds Theory, which categorised the countries of the world into three major groupings, each necessitating a distinct approach to engagement from China. The third grouping, the developing countries of the Third World, were the main focus of China,

which itself was also part of the Third World; the Chinese government and people firmly supported the just struggles of all the oppressed peoples and nations. Drawing on China's previous practices and experiences in foreign relations, the theory outlined spatial priorities for China's ties with other countries and provided an important ideological guide to the country's approach to South-South cooperation. This theory remains highly relevant and should guide the present-day reconfiguration of the spatial priorities of China's foreign relations. Contrary to the emphasis placed on working with Western countries since reform and opening up began four decades ago, China now needs to foreground the advancement of the South-South project.

Whether it concerns diplomatic affairs, long-term development, or national rejuvenation, for a considerable period of time, China's foreign strategic arrangements will have to prioritise engaging with countries of the Global South. China should configure its foreign relations and promote the construction of a new global order under the 'three-ring' (三环, sān huán) framework. The first ring refers to China's neighbouring regions of East Asia, Central Asia, and the Middle East, which present important resource, energy, and security considerations; the second ring refers to the developing countries of Asia, Africa, and Latin America, with which China engages in trade, investment, and infrastructure projects, and to which China mainly delivers its foreign aid; finally, the third ring refers to the United States, European countries, and other industrialised countries with which China exchanges industrial products, technologies, and knowledge.

Within the new 'three ring' framework, China's first and foremost priority in helping to build a new international system should be the first ring, namely East Asia, Central Asia, and the Middle East. To further promote East Asian economic integration and linkages with Central Asia and the Middle East, it is necessary to strengthen engagement and cooperation between Asian countries.. In recent years, by promoting economic diplomacy, China has made considerable progress in advancing East Asian economic integration and economic cooperation with many Asian countries. The latest breakthrough in East Asian economic integration was realised on 1 January 2022, when, after years of negotiation, the Regional Comprehensive Economic Partnership (RCEP) finally entered into force.

However, economic exchanges among East Asian countries have been increasingly affected by extra-regional forces and security issues in recent years, with disputes over maritime rights in the South China Sea and Washington's 'Indo-Pacific' strategy fuelling uncertainty in the region. To prevent external forces from exploiting internal problems in Asia, China should move away from the 'GDP supremacy', or a narrow focus on economic matters, which it prioritised previously in its foreign relations, pay greater attention to political and security agendas in the region, and promote more security cooperation among Asian countries.

## South-South Cooperation is the Material Basis of the New 'Three Rings'

The material basis for the new 'three rings' framework is South-South cooperation, a concept that emerged in the late twentieth century regarding mutual interests, support, and solidarity among Third World countries.<sup>5</sup> In the twenty-first century, a new foundation for South-South cooperation is being laid, making the concept more achievable in reality. The main reason for this is that, in recent decades, a number of developing countries in Asia, Africa, and Latin America have been able to industrialise or quasi-industrialise by 'climbing up the borrowed ladder', seizing the opportunities afforded by the wave of globalisation. Among these countries, a new global system of material production and circulation has taken shape, and is on track to eclipse the original 'ladder' of globalisation built by Western countries. This new global system has manifested in two important respects.

First, the share of developing countries in the global economy has changed significantly. In 1980, developed countries accounted for 75.4 percent of global GDP while developing countries accounted for less than 25 percent; however, by 2021, the former group's share of global GDP had fallen to 57.8 percent while the latter's share rose to 42.2 percent.<sup>6</sup> The combined

5 For the international edition of this article, statistics have been updated to reflect the latest data.

6 Calculated from the IMF's World Economic Outlook database (October 2022), <https://www.imf.org/external/datamapper/NGDPD@WEO/OEMDC/ADVEC/WE->

GDP of the BRICS countries (Brazil, Russia, India, China, and South Africa) plus Turkey, South Korea, and Indonesia, in purchasing power parity (PPP) terms, jumped from 21 percent of the global economy in 1992 to 37.7 percent in 2021, while the combined share of G7 countries declined from 45.8 percent to 30.7 percent in the same period.<sup>7</sup>

Second, trade and reciprocal investment between developing countries have also become pivotal. From 1997 to 2010, trade between China and African states increased 22.4 times and trade with Latin American states increased roughly 22 times; and from 2010 to 2021, China-Africa and China-Latin America trade increased another 2 times and 2.5 times respectively.<sup>8</sup> From 2000 to 2018, trade between China and Arab states ballooned from \$15.2 billion to \$244.3 billion, a 16-fold increase in less than twenty years.<sup>9</sup> Other emerging economies, such as Brazil and India, have sharply increased their trade with developing countries. From 2003 to 2010, Brazil's trade with Arab states increased four-fold, while its trade with African states increased five-fold, reaching a total of \$26 billion, a figure higher than Brazil's trade with traditional trading partners such as Germany and Japan; and from 2010 to 2019, Brazil's trade with Arab and African states increased by 98 percent and 68 percent, respectively.<sup>10</sup> Similarly, since 2001, India's trade with African states has grown at an average annual rate of 17.2 percent and, from 2011 to 2021, it increased 2.26 times.<sup>11</sup> India's trade with Latin

7 Calculated from the IMF's World Economic Outlook database (October 2022), <https://www.imf.org/external/datamapper/PPPSH@WEO/OEMDC/ADVEC/WE-OWORLD/BRA/RUS/IND/CHN/ZAF/TUR/IDN/KOR/MAE>.

8 In 1997, the trade value between China and Africa was \$5.673 billion and that between China and Latin America \$8.376 billion, according to the China Statistical Yearbook 1999. In 2010, the trade value between China and Africa was \$127 billion and that between China and Latin America was \$183.6 billion, according to the China Statistical Yearbook 2021. Finally, in 2021, the trade value between China and Africa was \$254.3 billion and that between China and Latin America was \$451.591 billion, according to the General Administration of Customs of China.

9 Jing Kai, 'New chapter opens for China-Arab economic and trade cooperation' [中阿经贸合作奏响新乐章], *Guangming Daily* [光明日报], 5 September 2019.

10 Calculated according to the data from the World Integrated Trade Solution (WITS), software developed by the World Bank, in collaboration with the United Nations Conference on Trade and Development (UNCTAD), that provides access to international trade, tariff, and non-tariff statistical information; 'Brazil to play an ambitious global role' [巴西要在全球扮演雄心勃勃角色], *Reference News* [参考消息], 2 September 2010.

11 Sun Xiaohan, 'Analysis of the Current Situation and Prospects of India's Investment

American states as well as the Middle East and North Africa region, has experienced similar growth. Trade volumes between developing countries are growing at a faster rate than the global average, while trading with developed countries continues to decline.

Within the developing world, a particularly important network of economic cooperation has emerged in Asia, centring around China. This is demonstrated in the following four trends:

Asia is once again the world economy's centre of gravity. In 1980, the developing countries of Asia accounted for only 13.7 percent of global GDP, however, their share would rise to 24.7 percent in 2010 and reach 35.8 percent in 2021.<sup>12</sup> For East Asian countries (including China, Japan, South Korea, and ten Southeast Asian countries), in 1980 their share of global GDP was only about 16.2 percent, but by 2020 it had more than doubled, reaching 30 percent.<sup>13</sup> Meanwhile, among the fifteen member countries of the RCEP, by 2020, their combined population reached 2.27 billion, cumulative GDP hit \$26 trillion, and total imports and exports surpassed \$10 trillion, accounting for about 30 percent of the global total.<sup>14</sup> According to HSBC, the cumulative size of the RCEP economies is estimated to expand to 50 percent of the world economy by 2030.<sup>15</sup>

Global trade and investment are also shifting to Asia, with its share in global trade having steadily increased from 15.7 percent in 1980, to 22.2 percent in 1990, to 27.3 percent in 1995, to 26.7 percent in 2000, to 25.6

and Trade with Africa' [印度对非投资贸易现状分析与前景展望], China Investment [中国投资], September 2021.

12 Calculated from the IMF's World Economic Outlook database (October 2022), <https://www.imf.org/external/datamapper/NGDPD@WEO/WEOWORLD/APQ/CAQ/MEQ/JPN/AZQ>. Here, developing countries of Asia, refers to the IMF's designated regions of Asia and Pacific, Central Asia and the Caucasus, and the Middle East, except for Japan, Australia, and New Zealand.

13 Calculated from the IMF's World Economic Outlook database (October 2022), <https://www.imf.org/external/datamapper/NGDPD@WEO/OEMDC/ADVEC/WEOWORLD/EAQ/SEQ>. Here, East Asia, refers to the IMF's designated regions of East Asia and Southeast Asia.

14 Zhu Xiaoxiong and Li Pan, 'How Effectiveness of RCEP Will Benefit World Economy' [RCEP生效, 世界经济受益几何], Guangming Daily [光明日报], 4 January 2022.

15 Li Ning, 'RCEP Becomes Official! World's Largest FTZ Starts' [RCEP正式生效! 世界最大自贸区启航], International Business Daily [国际商报], 3 January 2022.

percent in 2001, and further to 36 percent by 2020. Today, Asia is the world's leading trading region.<sup>16</sup>

The level of intra-regional trade dwarfs that of extra-regional trade in Asia. Between 2001 and 2020, Asia's total internal trade jumped from \$3.2 trillion to \$12.7 trillion, with an average annual nominal growth rate of 7.5 percent; during the same period, Asia's share of total world trade increased from 25.6 percent to 36.0 percent.<sup>17</sup> In 2020, Asia's intra-regional trade has accounted for nearly 58.5 percent of its entire foreign trade.<sup>18</sup>

East and West Asia are growing closer economically; the main destinations of Middle Eastern energy have shifted from the United States and Europe to East and South Asia.

Today, developing countries have formed the preliminary structure for a new global economic system, but further synergy between them is needed to achieve a higher degree of economic connectivity as well as greater political influence in the international arena and freedom from Western control and coercion. This past decade, China has become the world's largest real economy (concerning the production and exchange of goods and services) and the second largest economy overall, as well as the largest trading partner of most countries in the world. In 2021, the global share of China's manufacturing sector was nearly 30 percent. As the country that produces the most material goods in the world, China is in a similar position as the United States was in the post-Second World War period (at its peak, in 1953, the US accounted for roughly 28 percent of global industrial output). What China can and should do is to take initiative in driving a global strategy to improve the system of global material exchange among developing countries, that is, to truly realise South-South cooperation.

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16 Wing Chu and Yuki Qian, Tapping the RCEP Opportunities: Hong Kong to Maximise GBA's Unique Edge as a Business Platform, Hong Kong Trade Development Council (HKTDC) and ACCA, 18 November 2021,

<https://portal.hktdc.com/resources/RMIP/20211112/67htt6r-QUNDQSZIS1REQyBSZXB-vcnRfR0JBX1JDRVBfRU4=.pdf>.

17 Chu and Qian 'Tapping the RCEP Opportunities'.

18 Boao Forum for Asia, Annual Report 2022: Asian Economic Outlook and Integration Process, April 2022.

However, deficiencies still remain. Current trade and investment between developing countries still rely heavily on Western-led financial and monetary networks. If developing countries are to further enhance their economic and political autonomy, and if emerging economies are to gain levels of political influence in the world system commensurate with their economic scales, they must overcome their financial and monetary dependence on the West. Therefore, to build a ‘new three ring’ international system, developing countries must consider not only traditional geopolitical factors, but also the global systems of finance and information. In recent years, China has explored this by developing currency swaps with several emerging market economies. A higher-level and broader mechanism for financial and monetary cooperation should be created among developing countries. To this end, it is important to take advantage of existing platforms and mechanisms that can enhance South-South cooperation, including: upgrading and transforming the Asian Infrastructure Investment Bank (AIIB) and the New Development Bank (NDB) established by the BRICS countries to advance an autonomous international payment system; strengthening security and financial cooperation within the framework of the Shanghai Cooperation Organisation (SCO), particularly between China, Russia, India, and Iran cooperation (it should be noted that Russia is also a developing country and that the Chinese and Russian economies are highly complementary); further promoting East Asian economic integration under the framework of the Belt and Road Initiative (BRI), with special efforts to consolidate the achievements of the RCEP; building a common energy market in Asia, so that buyers in East and South Asia and sellers in the Middle East, Central Asia, and Russia can share the same energy trading and payment network; making proper use of the BRICS Summit mechanism, thus deepening South-South cooperation; and promoting the diversification of the international monetary system and the internationalisation of the RMB in the context of South-South cooperation, as well as supporting the international status of the euro while hedging against the hegemony of the US dollar.

One hundred years ago, the CPC leaders proposed the revolutionary strategy of ‘encircling the cities from the rural areas’(农村包围城市, *nóngcūn bāowéi chéngshì*). In the present era of ‘major changes unseen in a century’, China and developing countries need to dismantle the centre-

periphery world order, overcome the hostility of Western countries, and improve solidarity and cooperation within the global 'countryside'. The deepening of South-South cooperation will create favourable conditions and mobilise resources for the construction of a new 'three ring' global system, which can ease international tensions and allow developing countries, including China, to take their rightful places at the centre of the world economic and political order. After more than forty years of reform and opening up, China must adjust its understanding of 'opening up' and transform its thinking about foreign relations. Of course, China should still try to maintain its cooperation with the West as long as possible and as long as they do not make the choice to go completely against China.

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