

Opinion **China**

How the west should judge a rising China

Advanced countries are hobbled by their inability to manage their own affairs

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Martin Wolf MAY 16, 2018

Today's advanced countries, dominated by the US and Europe, have a preponderant share of the [global economy](#). The 14 per cent of humanity that lives in advanced countries generates 60 per cent of world output at market prices and 41 per cent at purchasing power parity.

This will not last: as recently as 1990, advanced countries generated 78 per cent of world output at market prices and 64 per cent at purchasing power parity. The west must accept its relative decline or engage in a grossly immoral and probably ruinous struggle to prevent it. That is the most important truth of our era.

For this reason, above all, westerners need to consider how those in the rising powers view the world. It is likely that [China](#), in particular, will emerge as by far the world's biggest economy. We need to evaluate and assess the views of those who lead it. [Two weeks ago](#), I presented what I heard in high-level meetings in Beijing. Now, I will assess what I heard, under the same headings.

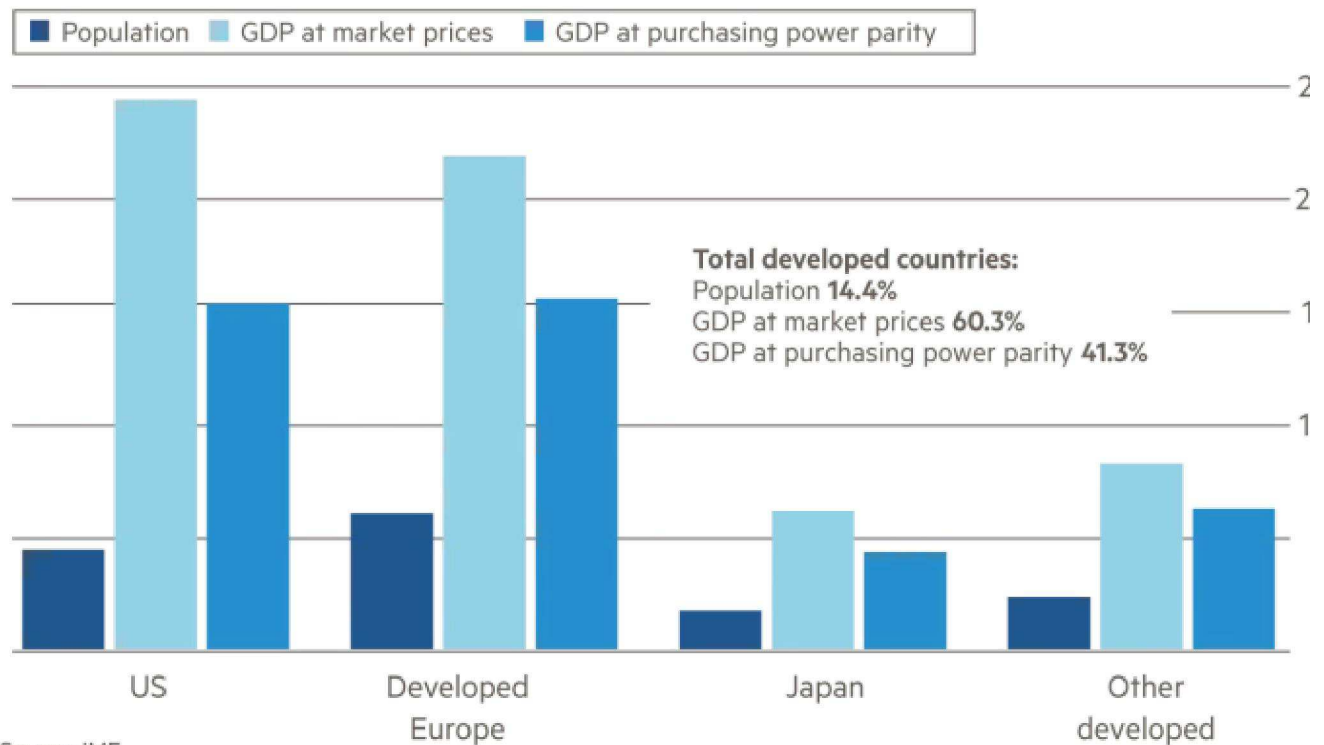
China needs strong central rule

A noteworthy fact was the belief of our interlocutors that Chinese political stability is fragile. History suggests that they are right. The past two centuries have seen many man-made disasters, from the Taiping Rebellion of the 19th century to the Great Leap Forward and cultural revolution.

It is quite easy therefore to understand why members of the elite seem convinced that renewal of the Communist party, under the control of Xi Jinping, is essential. We must recall that the upheaval of modernisation and urbanisation through which China is now going, destabilised Europe in the 19th and early 20th centuries.

Developed countries still dominate the economy

Developed countries' share of global population and GDP, 2017 (%)



Source: IMF
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Yet this tightening of control could derail the economy or generate a political explosion in a country containing an ever more literate, interconnected and prosperous people. China wishes to be a huge Singapore. Can it?

Western models are discredited

The Chinese elite is right: they are, alas. The dominant view among the rest used to be that the west was interventionist, selfish and hypocritical, but competent. After the financial crisis and the rise of populism, the ability of the west to run its economic and political systems well has come into doubt. For those who believe in democracy and the market economy as expressions of individual freedom, these failures are distressing. They can only be dealt with by reforms. Unfortunately, what the west is getting instead is unproductive rage.

China does not want to run the world

On this point, we can express doubts. For the first time, China will become a great power within a global civilisation. Like all great powers before it, China will surely wish to arrange the global order and the behaviour of other states (and private organisations, too) to its liking. China also has many neighbours, many of them historically allied to the US. It is already trying to expand its influence, notably in the South China Sea. It is also trying to [influence behaviour](#), not least of all Chinese students, abroad. All this represents the inevitable extension of Chinese power abroad.

China is under attack by the US

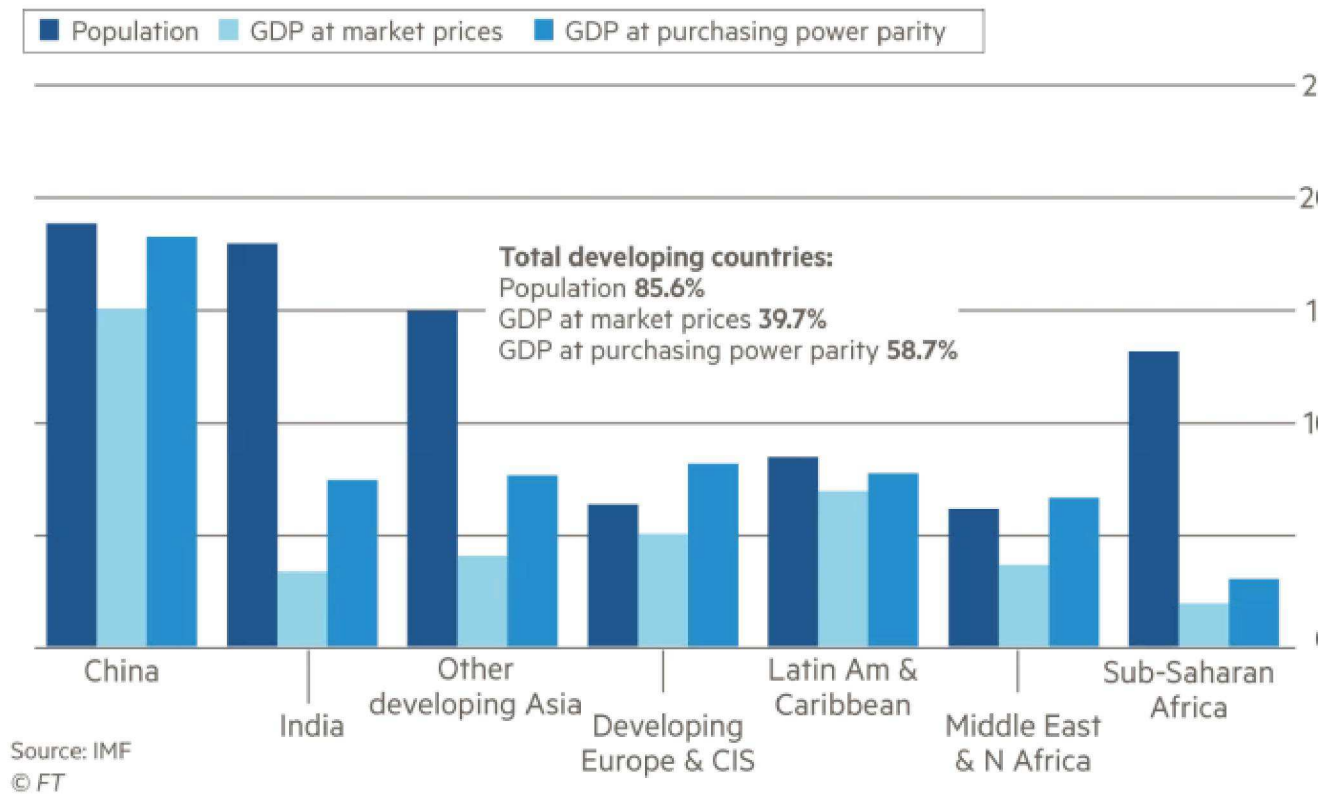
The Chinese elite is right that Americans increasingly regard their country as a rival, indeed a

threat. Americans, in turn, argue that China is attacking them, by extending its military power and undermining allies, notably Japan.

The truth is that power is inevitably a zero-sum game. The rise of Chinese power will be seen as a threat by the US, whatever China's intentions may be.

But developing countries have the people

Developing countries' share of global population and GDP, 2017 (%)



Moreover, many Americans, indeed many westerners, do not really accept Chinese positions on Tibet and Taiwan, are suspicious of China's intentions and resent its success. Such mutual mistrust opens the so-called [Thucydides trap](#) of suspicion between incumbent and rising powers.

US goals in trade talks are incomprehensible

China is right: they are ridiculous. But within them are genuinely important issues, notably intellectual property.

China will survive these attacks

This is almost certainly true. Unless the US breaks all its commitments and seeks to impose an economic embargo on China, the current friction will not halt Chinese progress, although it may slow it. A greater threat to China would lie in the domestic reaction to a far more hostile external environment. The likely response would be yet tighter political and economic control, rather than the needed shift towards a more market-oriented, more private-sector-led and more consumption-driven economy.

This will be a testing year

It will. In fact, it will be a testing century. The right view for the west to take is that China is indeed a significant competitor. Its rise will create many dilemmas for the west and especially for the US. But China is also an essential partner in ensuring a reasonably co-operative, stable, prosperous and peaceful world.

The west needs to think much harder about how such a world should work. The US administration's view — that the unilateral exercise of US power is all that is needed — will fail. It will not manage the global commons that way, not that the Trump administration cares about that, at all. It will also not achieve stability: if it doubts that, it should look at the cauldron that the Middle East has become after endless interventions.

It is essential for westerners to realise that our biggest enemy has become our inability to run our own countries well. Meanwhile, the only future for an interdependent world has to be based on mutual respect and multilateral co-operation. This does not mean accepting every Chinese demand as legitimate. Far from it. Principled resistance is essential. But we are moving from a western-dominated past to a post-western future. We have to make the best of it.

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