Understanding China through a cultural rather than economic perspective

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Abstract

- The West usually sees China from an economic perspective. This style of analysis reflects western cultural traditions and has been further accentuated by nearly two decades of de-ideologised international policy under what Luttwak has termed geoeconomics.
- The main changes to the global order will arise in the cultural as well as economic sphere.
- The model of Western globalisation is suffering from basic problems and China (from a presumption of intellectual superiority) is offering an alternative model with distinct values, priorities, and strategies.
- An understanding of the values that China brings to the world, as well as an understanding of how China thinks and operates is essential for establishing new models of global government and anticipating Chinese foreign policy.
- This is a process of cultural hybridisation in which the Western powers, international organisations, and China will influence each other during the creation of a new global political culture.

Understanding China through a cultural rather than economic perspective

Henry Kissinger, former US secretary of state, explains in his memoirs what it meant for the US in the early 1970s to have broken through the Chinese isolationism that was established after the outbreak of the Cultural Revolution in 1966: *The isolation between America and China had been so total that neither knew how to contact the other, or how to find a common vocabulary. America under Nixon sought a way to open a second military and diplomatic front against the Soviet Union. China had become a sleeping giant after a century of voluntary ostracism, civil war, and invasion.*

1 Contributions to this paper have been made by Àngel Castiñeira, Marc Bou, Augusto Soto and Àngel Saz with comments that have helped to clarify, refine, and contextualise certain points. I wish to express my gratitude to them all.
The picture is very different 40 years later. The sleeping giant has awoken and become an economic superpower, a rising military power, and an immense productive machine that consumes every type of resource and raw material. Yet for the West, China remains an unknown power – a historical, political, and especially cultural, enigma. For the nations that have inherited the traditions of the Enlightenment, China is difficult to analyse or understand. This essay examines the challenges posed by a rising China and its model of globalisation. Discussion then turns to some of the key problems faced by the West in understanding Chinese foreign policy, and ends with a brief note on the possible changes to values that may occur following increased contact between the West and China.

An economic interpretation of the rise of China – with a West in crisis

Goldman Sachs published a forecast in 2007 that China would become the largest world economic power by 2027. Most Western countries found in this prophecy a clear example of the decline of America. The vision of an apparent decline in American power may have reflected a growing desire to limit the hegemonistic ambitions of President Bush. These ambitions were rooted in neo-conservative sections of the Republican Party; and were also proclaimed by hawkish neo-liberals who aspired to deregulation and believed – in the language of Voltaire – that a deregulated world would be the best possible world. The forecast made by Goldman Sachs indicated how the world would be affected by the political and economic decline of the US and the sustained and spectacular growth of China.

We emphasise that the western view of China is based on a fundamentally economic interpretation of China’s sheer size. This interpretation has been fuelled by two core elements of international politics that emerged at the end of the Cold War. Firstly, the rise of geoeconomics; and secondly, the consolidation of what from a sociological and an unorthodox economic point of view has been

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2 The West in this article is understood as those nations with an essentially European cultural tradition – the most influential of which are US and the EU member states.

termed the financialisation of the economy. Edward Luttwak in his essay Turbo-Capitalism: Winners and Losers in the Global Economy (1999) named the ideological desert announced by Fukuyama in The End of History. According to Luttwak, we are in a new period of history that follows the victory of one ideology over its competitors, although this ideology could not be classified as such. According to this explanation, an era of geoэкономics began with the fall of the Wall – an era of geopolitical conflict based on economic competition and globalised capitalism.

Positioning China in Luttwak’s vision is simple. China is now the world’s major exporter and second economic power after the US. China consumes an increasingly large part of the world’s energy resources and an ever increasing number of Chinese companies are found in the rankings of the world’s largest companies. China’s uninterrupted economic growth over the past 30 years has averaged nearly 10% per annum. China’s public investment projects (high-speed trains, biochemical industries, airports, and logistic hubs) make equivalent programs in the West look small. The impact on African and Latin American economies – with infrastructure for resource agreements – has also been spectacular. Cheap goods from China have flooded the world – ranging from books, toys, and clothes to portable PCs and smartphones. It was calculated in 2009 that half a million Chinese may now be working in Africa.

In a similar vein to Luttwak, another American author, Robert Shiller, describes a model of financial capitalism and the rise of speculative financial markets in the world economy. Together with the size of its real economy, we must look at the financial power of the new China. The nation held three trillion dollars in foreign currency reserves in March 2011 – double the amount held in early 2008. A significant part of these reserves are held in US sovereign debt – indeed China is the leading holder of American public debt and a major buyer of

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6 http://www.chinability.com/Reserves.htm
European public debt. Chinese sovereign wealth funds hold billions of dollars in investments.

Financial information in the West is omnipresent and a constant media spectacle relays the day-by-day changes in stock values in Tokyo, Frankfurt, London, or New York. According to Shiller, this constant media show has exaggerated the importance of financial information and hidden from view other impacts caused by the global rise of China.

While the financial numbers may be extraordinary, particularly in the historical context of Kissinger’s China visit in the early 1970s, the figures nevertheless reveal an incomplete picture of the changes that China will create as a new global superpower. The picture is incomplete because it focuses on the economic impact and this implies that China’s impact will be similar to that expected from a Western nation viewed from a geoeconomic perspective. However, this assumption cannot be made and we must anticipate changes that go much deeper than a simple change in positions in the economic rankings.

A non-economic interpretation: several cultural themes

Our analysis begins with a diagnosis made by Gideon Rachman earlier this year regarding the future relationship between America and China. The internal challenges facing China are enormous, while the strength of America as a superpower remains considerable. It must be remembered that this is not the first time that the West, and particularly the US, has heard voices predicting an

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7 China has bought $165 billion of European debt since the beginning of the crisis. Two-thirds of its foreign exchange reserve of $3.2 trillion are held in euros. Some 1.2 trillion dollars are held in US Treasury debt. Source in Spanish: http://www.elpais.com/articulo/economia/China/ensena/capitalismo/elpepieco/20110808elpepieco_11/Tes
8 Only listing capital sums greater than $100 billion we find: China SAFE Investment Company ($567 billion); the China Investment Corporation ($409 billion); Hong Kong Monetary Authority Investment Portfolio ($292 billion); and the China National Non-Commodity Social Security Fund ($146 billion).
imminent change in superpower rankings.\(^{10}\) However, other things being equal, and assuming an economic, political, and social development similar to that experienced over recent decades, the thesis of this article is that the cultural impact of China on the international stage will be equivalent to the extremely important role it plays in the economic sphere. China in its new role starts with some important limitations and will probably be unable to eclipse America as a source of ideas and values. However, China will still find its own global audience.

**China represents a change in values** for global government and the result will be a cultural conflict regarding the model of state governance, the accepted structure and guidelines in international organisations, and the role of international law in resolving global conflicts. And crucially, the political and economic model of China represents a potentially effective alternative to the model of western globalisation based on liberal principles.

Could this new Chinese model correct the structural problems created by our model of globalisation? Our Western model has become an ideology\(^{11}\) that defines globalisation as an inevitable process beyond the control of politicians and private interests. This model is seen as a cooperative and globally beneficial process of integration and globalisation that operates without a political centre. It is seen as a game whose sum is greater than zero\(^{12}\) – and whose success is directly linked to the worldwide advance of democracy. While such globalisation is seen to roll forward without anyone leading the game it is nevertheless believed to be subject to an invisible economic hand. Paradoxically, Western nations suffering from the economic and fiscal crisis of 2008 are being prescribed a new therapy of cuts applied under the questionable

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\(^{10}\) Recall the *Sputnik moment* in the 1960s, referred to by President Obama in his recent State of the Union Address. Japan was also feared – as reflected in the publication of *Japan Number One* in 1979.


\(^{12}\) A statement questioned by Richmann in *Zero-Sum Future: American Power in an Age of Anxiety*, (2011) because of the contrast between the protectionist policies of China and the free-traders of the West (on whose vision are based the principles of flat globalisation briefly described here).
The Washington Consensus (a consensus that experienced its glory days in the 1990s).

In contrast, Leonard\textsuperscript{13} has defined the Chinese model of development and globalisation, the so-called Yellow River Capitalism, as a combination of interventionist measures that re-legitimise and re-empower the state against the market and convert the state into a powerful regulator. Markets are protected in several sectors (such as pharmaceuticals, agriculture, energy, and public utilities) or sometimes completely shielded from foreign competition. This is a model that differs from the liberal democratic model that traditionally separates the state from the market.

Importantly, there is a clear Chinese road to globalisation, the so-called Walled World, which has been built as an alternative to the decentralised Western process of globalisation. The Chinese model is gathering supporters in the emerging nations. This is because observers in these nations can see how the West has sunk into an ocean of private and public debt, and that western economies have stalled while parliamentary systems obstruct or dilute measures taken to solve the crisis.\textsuperscript{14}

The West is still far from recognising the implications of this alternative model of globalisation. The West also suffers specific problems when attempting to understand cultural alternatives. Westerners tend to analyse otherness from their own patterns of thinking and this tendency is exacerbated by the eurocentrism of academic social sciences.\textsuperscript{15} The West has never needed to venture far from its own cultural references to understand the world. In contrast, China has endured long periods of doubt about the validity of its own traditions and has learnt from the West (see again Leonard, 2008). It is notable that for several decades China has been sending its students to the many immense

\textsuperscript{13} Marc Leonard: What Does China Think? (2008)
\textsuperscript{14} Winston Churchill in his war memoirs (Volume 1) remarked that British prime minister Stanley Baldwin said: ‘a democracy is always two years behind a dictatorship’. Churchill added that slowness is ineffective in the long-term.
American universities. Lawyers, academics, and business managers have returned home with plenty of Western contacts and learning acquired from elite universities.\textsuperscript{16}

**Cultural patterns that China can offer the world**

What would we see if we visualised China without the veil of our Western perspective? Below is the briefest of guides to key Chinese cultural patterns:\textsuperscript{17}

**Gradualism:** China has more than two millennia of traditional domination by an essentially meritocratic state hierarchy: the mandarins. From this Chinese perspective, history as a value and a cultural reference is crucial for understanding the world. Rapid change is a bad practice. Hasty policy is bad policy. Economic and political changes cannot be introduced as the result of a revolution (an example being the Russian shock therapy that followed the breakup of the Soviet Union). Gradualism is crucial to the stability of a nation.

**Anti-western viewpoint:** China closed its doors to the rest of the world in the 15\textsuperscript{th} century – scraping its blue water fleet and deciding to stay at home in Asia. The period between the mid-19th and mid-20th centuries were black years for China because of the ruinous influence of the West and an uncritical adoption of foreign values. The sheer size and historical traditions of China meant that it should have been able to decide which new values to incorporate and how. Similarly, religious and charitable organisations are a source of values that have not been passed through China’s ‘cultural sieve’ and so represent a danger that must be controlled or repressed. China recognises that power in international relations is moving toward the east and that the idea of a hegemonic geopolitical centre, western or otherwise, makes little sense.\textsuperscript{18}

\textsuperscript{16} An in-depth discussion of the ability to leave behind one’s own cultural patterns and empathically establish a point of contact with an alternative is inappropriate in these pages. However, we must recognise the existence of a philosophical and anthropological debate about cultural relativism, its limits and implications for public governance and international relations.

\textsuperscript{17} A large part of this analysis was taken from Leonard and contributions were added from other sources.

**Authoritarianism:** China is a ‘popular’ democracy and believes that government by the people is the best political system. However, it recognises that not all forms of democracy are equally applicable to every nation. Liberal democracy is a good model of government for the West – but does not have to be applied in China. In the official Chinese view, ‘democracy’ as a model of government recalls images of the democratic revolution of Mao – where in the name of the Cultural Revolution (1966-1976) atrocities were committed to purge hierarchies in the communist party. The word ‘democracy’ also recalls the democratisation processes led by Gorbachev under *perestroika* and *glasnost* which resulted in the breakup of the USSR, party conflict, ethnic strife, and populism. Democracy is also held responsible for the inability of European governments to overcome electoral cycles when carrying out necessary policies. Democratic experiments in China are little more than tests.

**Rule of law:** Leonard reproduces some interesting quotes from Chinese thinkers: Pan Wei (conservative): ‘The West is thriving thanks not to democracy but the rule of law. Wang Shaoguang (progressive): ‘In the West you choose a chef to serve a menu, but in China we prefer to choose the menu ourselves and do not care who serves us.’ From the Chinese perspective, developing countries should learn the difference between democracy and the rule of law. The China model shows that progress comes from the rule of law and not democracy. Singapore and Taiwan are seen as models worth following; rather than the Russia of the 1990s. From the Asian point of view, only the rule of law ensures economic development.

**Pragmatism and social stability:** China’s current policy aims to maintain social stability. Results are the essential source of legitimacy for political action in any sphere. The current crisis calls into doubt the guiding principles of Western economics and Western-conceived international bodies as they cannot offer an effective response to the crisis. The famous Beijing Consensus reached at beginning of this century was based on the Chinese cultural concept of resultism: the achievement of results that include progress and stability mean that issues such as the form of government, economic policy, and corruption
are secondary.19 When speaking about capitalism Deng Xiaoping stated: ‘It doesn't matter if a cat is black or white, so long as it catches mice.’

**Experimentation:** the gradual process of converting the Chinese economy from state socialism to state capitalism can only be understood as a process of experimentation and the gradual correction of errors. The same pattern is found in the democratisation of local elections and the offer of electoral choice at some levels of the public administration. However, these processes of change remain under Maoist socialist-inspired structures. As we have seen before: change, from the Chinese perspective, does not mean abandoning what exists today.

**Entrepreneurship:** a stroll through any Chinese mega-city reveals the existence of significant business creativity that is independent of the state. Leonard extensively discusses the role of accountants and businessmen in creating a dynamic business and cultural atmosphere in post-Mao China. A weak social network, unparalleled economic growth, work patterns similar to what Weber called the *protestant ethic of capitalism*, have shaped a network of large and small entrepreneurs with a work culture that extends globally. In the international version, this culture takes the form of companies, small businesses, joint ventures, and business networks of all types operating throughout the world.

**Concealment:** Chinese cultural tradition is full of concise phrases and quotations. Deng Xiaoping wrote: ‘hide the light, feeds the dark’; and ‘be humble, be neutral, let others hog the limelight.’ Kissinger wrote in his memoirs: ‘Beijing’s diplomacy was so subtle and indirect that it largely went over our heads in Washington’. Chinese military and economic data is unreliable and edited with an eye to the potential impact on domestic and global stability.20 Transparency as a political virtue does not exist. Internationally, this principle translates into not using the veto at the UN Security Council; shunning open

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20 For example: US intelligence estimates that real spending on the Chinese military is twice the officially published figures. [http://www.globalsecurity.org/military/world/china/budget.htm](http://www.globalsecurity.org/military/world/china/budget.htm)
conflict with other international powers, and not being seen as the only supporter of a policy that is opposed by most of the international community or the great powers. This is clearly visible in an analysis of the level of transparency inherent in the largest sovereign wealth funds.\textsuperscript{21} Finally, in an approach that parallels Orwell’s 1984, Pan describes in his book the efforts of concealment made in China under Mao: ‘fabricating and controlling history was so important to the party that it devoted a vast bureaucracy to the task’\textsuperscript{22}. Concealment and fabrication using censorship and manipulation is still widely practiced in China.

**State sovereignty:** Kissinger stated what he believed was the diplomatic priority of the Chinese government in the 1970s: ‘They were interested in building confidence’. Establishing long-term relationships based on mutual understanding and respect is a core value of Chinese foreign policy. The World Bank and IMF offer agreements with strings attached (market liberalisation, privatisation, democratisation, human rights, control of corruption). In contrast, China offers contracts without conditions that are based on respect for national sovereignty. The most common example is both simple and pragmatic: resources in exchange for infrastructure, arms, or capital. China is simply interested in doing business and does not impose a code of values. *Guanxi* or cooperation can be described as ‘I win, you win.’ The West imposes its world view in international relations, while China avoids paternalism and offers humility with pragmatism.

**Relativism:** for the Chinese there are no universal values. This leads to non-interventionism in international relations and adherence to the principles of non-imposition and non-interference. This relativist position also creates serious ideological difficulties when working with the world’s international organisations. Action on human rights, international terrorism, nuclear arms proliferation, and climate change demands shared positions within the international community.


This requirement collides with Chinese relativism and is easily transformed into non-interference.\textsuperscript{23}

**Political realism:** in the Chinese view a nation may have interests but cannot have friends or ideals. The triad of *stability-growth-energy resources* justifies much of China’s external actions. Hard and soft power is meant to be used to defend national interests. China’s diplomatic approaches in Central Asia or Africa, its relations with Iran and North Korea, and its decision to buy European bonds all reflect Chinese political realism. In the light of analysis produced by the European Council on Foreign Relations, Chinese realism will not hesitate to use Chinese financial muscle as a geopolitical weapon.\textsuperscript{24} From this perspective, we can understand that one of the major contributions of China to the world is the concept of national self-help: its ability to manage, feed, and offer the promise of advancement to 1,300 million people.\textsuperscript{25}

**Multilateralism:** In the same way as other powers throughout history, China does not consider participation in multilateral organisations to be a priority; and prefers to deal directly with foreign governments in accordance with Chinese interests.\textsuperscript{26} Adapting Leonard’s interpretation to an analysis of China’s participation in multilateral organisations reveals the creation and gradual Chinese support for groupings that reflect Chinese political realism (Shanghai Organization, ASEAN, BRIC-T). This initiative aims to relegate international organisations (IOs) of Western origin (including the G20) to a secondary role. China views organisations built on values that she does not share as obstacles to progress. To paraphrase former Secretary of State Madeleine Albright – China is multilateral when it has to be but unilateral whenever it can be.

**Pacifism:** Sun Zi said: ‘avoid conflict and remember that war is proof that a strategy has failed’. This is an example of Confucian-inspired values that are

\textsuperscript{23} http://www.viet-studies.info/kinhte/China_dictatorship_diplomacy_FA.pdf
\textsuperscript{24} http://www.ecfr.eu/uploads/files/china_analysis_redbacks_for_greenbacks_the_internationalisation_of_the_renmimbi_november2010.pdf
\textsuperscript{25} Own notes. Meeting with Jiang Shixue. Assistant Director of the Institute of European Studies at the China Academy of Social Sciences (CASS). ESADE. March 2011.
\textsuperscript{26} Consider Bush’s first term in office under the influence of neo-conservatives.
linked to universal harmony and coexistence – values that from a Chinese perspective should be contrasted with the Manichaeism, hypocrisy, and the will to dominate historically demonstrated by Western powers. Leonard explains that the Chinese use two key concepts to describe peaceful order: \textit{wang} (benign government between the state and its subjects) and \textit{ba} (hegemony and dominion over occupied territories). To date, China’s rise has been peaceful; however, there is no ascendency without tension. Proof can be found in the growing fears shown by Asian countries and neighbours in the South China Sea about Chinese military deployment. The real question to be asked is as follows: \textit{is the rest of Asia ba or wang?} Chinese pacifism can change its nature in different contexts; and increases in Chinese military spending are meanwhile fuelling tensions.

\textbf{Cultural uniformity:} China’s relationship with its ethnic minorities is difficult. Serious problems with Uighur or Tibetan minorities led to revolts in 2008, 2009, and 2011. Other but lesser tensions can be found with Mongolian and Korean ethnic groups. Moreover, there are significant cultural differences, in addition to language, within the Han majority (over 90\% of the population census in 2000), despite the fact that they are treated as a single and homogenous cultural unit.28 This treatment clashes with the Western, and especially European, vision of cultural diversity as a treasure to be preserved. The forced integration of different ethnic territories, the processes of acculturation, falsification of history, and explicit or implicit opposition to cultural and linguistic variety are examples of efforts made to homogenise China. These efforts will always be potentially destabilising.

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28 Cultural diversity in China is much greater than that observed from the West. For example: Catalan, Spanish and Italian are more similar than the Shanghai and Mandarin varieties of Chinese that are mutually unintelligible to most people. See: The Myth of a Homogeneous China by Brahma Chellaney. http://chellaney.net/2009/08/17/the-myth-of-a-homogeneous-china/
A cultural interpretation of China’s future world role

A recent survey by the Pew Research Center, *China Seen Overtaking U.S. as Global Superpower* (July 2011), reveals that the West and China itself are increasingly anticipating China’s ascendency to the role of the world superpower.\(^{29}\) Opinion is also increasingly favourable to this change of position. However, we must be aware that the rise of China and its values will be conditioned by two elements. Firstly, its continuing economic efficiency as a model for development is crucial. Success in this area will be easy to measure with tools of economic analysis. Secondly, political ascendancy will depend on the attractiveness of its model of government.

China’s influence in the world has been – until now – mostly economic and this impact is closely monitored by the world’s media. Chinese influence in the world is measured in commercial fluctuations and annual increases in GDP – which is forecasted to grow by 9.6\% in 2011. In recent years, almost to the eve of the current crisis, the West experienced the growing financial impact of China through massive purchases of public debt, the presence of increasing powerful Chinese investment banks, the spectacular development of Chinese sovereign funds, and the purchase of Western companies.\(^{30}\)

The recent failure of the China Overseas Engineering Group (COVEC) in a Polish construction project\(^{31}\) alerted the West to the imminent arrival of Chinese firms that can handle major infrastructure projects. These firms have already established themselves in Africa and Latin America.\(^{32}\) Observers who deny that China can sustain its continued rise claim that growth rates must fall in the coming years. Others such as Rachman disagree.\(^{33}\) They argue that Chinese

\(^{29}\) It is interesting to read a similar survey from the Chinese point of view: at [http://china.globaltimes.cn/society/2010-12/607564_2.html](http://china.globaltimes.cn/society/2010-12/607564_2.html)

\(^{30}\) As examples: Volvo was bought by Geely in 2010 and part of IBM was bought by Lenovo in 2004.


\(^{32}\) As an example: the proposed bypass for the Panama Canal through Columbia: [http://www.bbc.co.uk/news/business-12448580](http://www.bbc.co.uk/news/business-12448580)

\(^{33}\) Stephen S. Roach also disagrees in an interesting article: Ten Reasons Why China is Different. [http://www.project-syndicate.org/commentary/roach5/English](http://www.project-syndicate.org/commentary/roach5/English)
growth could continue for decades – spurred on by the decline of America and its European allies.

China is an unusual power. It likes to present itself as an emerging nation – but it is clearly an economic superpower. It is extremely wealthy but at the same time has huge areas of poverty and inequality in the interior. As a rich nation, the West expects China to make a greater contribution to IOs, show a greater willingness to end trade imbalances, and also be a leader for world peace. China, meanwhile, is busy lending and investing. It is buying land abroad to provide food, while also building a huge distribution infrastructure and logistic centres for energy. As Rachman points out, China’s unstable growth remains paradoxically stable. This is unlikely to change in the coming years.

However, we anticipate that China will find it difficult to project its culture to the world. China’s capacity to seduce is overshadowed by the impact of decades of Western – mostly American – imagery and values. Western influence spreads from Hollywood to CNN, jeans to the parliamentary system, Fulbright grants, Ivy League universities, the English language, and the myth of the American dream. This influence has become a powerful tool for the US – and China will find it very difficult to respond given that its own cultural projection worldwide is so weak.34

There are early indications that Latin America does not want to be the next Africa and is suspicious of China’s influence on the continent.35 It is also highly doubtful that Europe will accept China’s cultural influence. Indian political analyst, Brahma Chellaney, claims that neither India nor China’s neighbours in the China Sea, led by Japan, look kindly on Chinese cultural influence. Chinese

34 What is the overseas impact of recent major Chinese film productions such as ‘Nanjing! Nanjing!’, or Confucius; or the communist party’s foundation? How many people know the name of the institutes created to disseminate Chinese language and culture in the world? What percentage of the Western media uses information from the China Daily and other Chinese media published in English?
influence in Africa is also seen with suspicion by the United States. In contrast to economic and financial expectations, many people throughout the world are showing a growing opposition to the role China hopes to play in the world.

Joseph Nye in a recent essay expressed his doubts about the ‘textbook’ decline of America as a superpower and does so by stressing China’s lack of attractiveness beyond macroeconomic variables. Chinese GDP per capita is one-tenth of the US and this means that China offers a poor quality of life to its citizens. The inequality between rural and urban areas and between the east and west of China are far greater than the inequalities of any Western power.

Nye emphasises that America’s soft power is demonstrated by its ability to attract talent, its image of being in favour of immigration, and support for multicultural values. There are several other high-impact cultural factors that add to America’s soft power: the attractiveness of English, a language that is easily learned and is studied around the world; its media; its global entertainment industry; the innovative nature of its economy; its high level of spending on R&D; the opportunities offered for entrepreneurship; the quality of its higher education; the large number of American Nobel Prize winners; the quality of its academic research; and its low level of corruption. In a strictly diplomatic dimension, Nye believes that a key part of American power lies in its ability to make alliances based on more than just interests. These cultural ‘weapons’ put China in a weak position when it attempts to extend its diplomatic appeal beyond trade.

Conclusion

China is far from being able to assume global leadership. If we put aside military factors, we find that China faces many internal challenges (including demographic problems, environmental difficulties, inflation, corruption,

38 Socialist China has already overtaken America in the Gini index. As Deng Xiaoping explained: ‘some must get rich before others’.
democratic aspirations, and unrest by cultural minorities). The values that China reveals in its bid for global governance are in conflict with aspirations and cultural norms found throughout the world.

The West fears the unknown. China is the first non-Western power to challenge for global leadership. The cultural gap between the worlds of the West and the Chinese Han is wide. However, it seems certain that China will gradually approach Western cultural norms and use existing international institutions – despite the Western roots of IOs and the media. The clear weakness of China in cultural spheres contrasts with its status as an economic giant.

Meanwhile, the West can rule out the prediction made by Fukuyama in his essay *The End of History.* According to Leonard, the non-Western world does not have to decide between westernisation or isolation. The principle of communicating vessels means that we will see a more westernised China – as well as a model of global government that is more culturally Chinese. The trend is moving towards a model of national economic control, the recovery of political sovereignty at a state level, and a reduction in individual liberty. Hybridisation is the result of any process of contact between different cultures and remains the most likely result: a world increasingly Chinese and a China increasingly involved in global issues and culturally ever closer to the West.

Finally, from the Chinese perspective, we can see that there is no greater political realism than a cultural co-adaptation to the environment. China influences the world and will be influenced by the world. China is just starting to adapt to its new role as a superpower. The West must make an effort to understand and be aware of the considerable culture shock that China presents. The values at stake are important and the West must prepare for an important battle. Watching China from simply an economic perspective prevents us from seeing the overall context of Chinese cultural influence and the corresponding cultural counter-offer that the West can and must extend to the world.

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Cultural economics is the branch of economics that studies the relation of culture to economic outcomes. Here, 'culture' is defined by shared beliefs and preferences of respective groups. Programmatic issues include whether and how much culture matters as to economic outcomes and what its relation is to institutions. As a growing field in behavioral economics, the role of culture in economic behavior is increasingly being demonstrated to cause significant differentials in decision-making and the Chinese President Xi Jinping attends the World Economic Forum (WEF) Virtual Event of the Davos Agenda and delivers a special address via video link in Beijing, capital of China, Jan. 25, 2021. (Xinhua/Li Xueren).

BEIJING, Jan. To uphold multilateralism in the 21st century, we should promote its fine tradition, take on new perspectives and look to the future. We need to stand by the core values and basic principles of multilateralism. As a longstanding supporter of economic globalization, China is committed to following through on its fundamental policy of opening-up. Scientific and technological advances should benefit all humanity rather than be used to curb and contain other countries™ development. China's economy grew at the slowest pace in more than four decades last year, official figures show, but remains on course to be the only major economy to have expanded in 2020. The economy grew 2.3% last year, despite Covid-19 shutdowns causing output to slump in early 2020. Strict virus containment measures and emergency relief for businesses helped the economy recover. Growth in the final three months of the year picked up to 6.5%. We should always be circumspect about Chinese data - with the usual caveat that the trajectory of the data rather than the figures themselves are a useful guide to how China's economy is growing. What these numbers show is that China's strategy of locking down cities hard and quickly has worked. Because of her videos, many people began to understand China, understand Chinese culture, and even began to learn Chinese. Some people even cured their depression because they watched her video. Her video is indeed healing, and in this impetuous world, it satisfies people's yearning for pastoral life. Check out China pushes to expand its soft power through cultural exports. 353 views. Carlos Nascimento.

According to an official estimate less than half the rural population is China brushes their teeth. That percentage in urban area stands at 10% now. This is hardly surprising considering that the founder of modern China, Mao Zedong himself never brushed his teeth in his lifetime. Scholarship on China has excelled in studying the economy of China, but has barely begun to do so with a true economic perspective. The fundamental objective of this volume is to delineate and illustrate the potential contribution of systematically applying an economic approach to the study of China's economic history. Economists, however, recognize that market activity and price formation do not occur in a social or cultural vacuum. They see the institutional arrangements that circumscribe and encapsulate economic activity—the household, legal structures, customary market procedures, forms of contract arrangement, business organization, even ideology and morality—as constraining economic activity along with limitations on the stock of physical and financial resources.