

**BUY THE BOOK****China and Us**

By Doug Bandow on 5.4.10 @ 6:05AM

***The Beijing Consensus: How China's Authoritarian Model Will Dominate the Twenty-First Century***

**By Stefan Halper**

**(Basic Books, 296 pages, \$28.95)**

No state can dominate the globe forever. The United States will not soon disappear from the international scene, but Washington will eventually have to share top billing. Its most likely peer competitor will be China.

While war seems unlikely, other challenges await. Stefan Halper, director of the Donner Atlantic Studies Programme at Cambridge University, writes in *The Beijing Consensus*: "Of immediate concern is that China's governing model is more appealing to the developing world and some of the middle-sized powers than America's market-democratic model."

He rightly worries less about Chinese military and economic power and more about the threat to "the moral authority and Western inheritance that has animated America's appeal for two hundred years." Still, the People's Republic of China has far to go to overtake the U.S. model.

Much good has happened with the PRC over the last four decades. "Long gone are the ideological crusades of the 1960s -- crusades that took Maoism to Africa, spread revolution in Southeast Asia, and sought to overthrow the great powers of the West," writes Halper.

The U.S.-Chinese relationship is usually civil, despite occasional controversies. Recent history backs Halper's observation that "Chinese leaders want neither the strain on finances nor the negative and potentially costly atmospheric effects that would accompany a genuine arms race with the United States."

But competition remains. "Ideas have traditionally been among the West's most important exports," notes Halper. Alas, the 2008 financial crisis and nation-building debacle in Iraq have weakened America's appeal.

Halper details "the rise and fall of the Washington consensus." He probably overstates the

failure of the Western development model -- markets remain far superior to any variant of collectivism -- but he is correct that Western institutions, such as the International Monetary Fund, have failed to consistently deliver economic growth and progress. Indeed, U.S. bilateral and multilateral foreign "aid" often has inhibited development.

Many Third World states understandably desire an alternative to Western assistance and conditions. Explains Halper: "China has become the symbolic leader of a growing world beyond the West, where elites embrace the power of market mechanisms and capitalist economic growth but continue to protect their choices from the demands of foreign interference and Western liberalism."

The good news, though, is that these nations have found the price of the PRC's assistance to be high. "The China effect," as Halper calls it, might end up being less dominating than he fears. Beijing might find it as hard to buy friends as did the West with trillions of dollars worth of foreign aid.

Halper also worries that "The marriage of free politics and free economics is being replaced by governments determined to reassert control over their economies, enhancing both their autocratic base and their global influence." China does pose a particularly potent challenge, but it still could fail. Russia also is practicing this strategy, without great effect on other states. Even Singapore long has mixed free markets with political autocracy.

Although Beijing challenges the West's capitalist-democratic model, in contrast to the Soviet Union the PRC has not attempted to impose its system. Moreover, America might be aided by India in promoting both democracy and free markets: today this emerging power also seems to represent the Western model, combining capitalism and democracy, however imperfectly.

With good reason Halper dismisses the contention that the PRC inevitably is headed towards liberalism. Beijing has adapted to globalization but consciously, and so far successfully, resisted pressure to democratize. Halper explains: "Chinese leaders have therefore extracted what they've needed from Western development models in terms of commercial relations, markets, private ownership, and the circulation of assets, and they've rejected what they don't, in terms of liberal norms and political pluralism."

If anything, the PRC has been moving backwards on human rights. Still, there remains substantial social ferment in China. Halper acknowledges that the Chinese people often find ways to hold government officials to account. But he believes -- correctly, I'm afraid -- that the potential for significant political change is limited for now.

Writes Halper: "the Internet demonstrates the limits of arbitrary power for the government. But it also demonstrates the limits of the people's power and their appetite to fight for pluralism in a Western sense. Technology has given the masses greater capacity to criticize the government and demand redress for specific grievances. But this is different from challenging the nation's theory of state."

Could this change? It is obvious to anyone who visits the PRC that few Chinese believe in Communism any more. The government therefore must look elsewhere for legitimacy, such

as nationalism. But, Halper perceptively warns, "Nationalism is therefore a double-edged sword for the ruling elite. It provides a crucial way to unite party members, but as a ready source of popular anger looking for a focus, it also threatens to blow back on the government or become uncontrollable."

Indeed, for this reason it is a mistake to see democracy as a panacea. A nationalistic, democratic China might pose a more serious geopolitical threat to the U.S. Officials dependent on the popular will might be more ready to engage in international adventurism. This is not an argument for supporting the Communist leadership, but Washington policymakers should make no assumptions regarding the PRC and the future.

Economic growth provides the greatest legitimacy for existing elites. That leaves the system highly vulnerable to any economic slowdown or disruption, however. Halper recognizes the challenge facing the denizens of Zhongnanhai: "In the Chinese model of free markets and one-party politics, the only guiding ideal of society is economic growth, with everything this implies in terms of a general proclivity for poor working conditions, low wages, corruption, political oppression, environmental irresponsibility, and human rights violations."

Unfortunately, official Washington seems to be thinking little about the challenges posed by China. At Hillary Clinton's confirmation hearing relations with the PRC consumed just six sentences in a 53,000-word transcript. Halper complains: "Beyond Olympic games and occasional headlines grabbers like violent protest in Tibet, China is often ignored or skipped over by American politicians and opinion writers."

That doesn't mean no one in the U.S. is interested in the PRC. Rather, the policy debate is dominated by what Halper nicely terms "China gangs." Their perspectives are important but narrow, "concerned with a specific part of the China question: Chinese military development, trade and labor issues, human rights, technology transfer issues, violations of intellectual property rights, or business opportunities and the benefits of commercial engagement."

Halper correctly sees the "China gangs" encouraging policymakers to divide between the equally unsatisfactory "panda huggers" and "panda bashers." This is bad for China policy and for America. He notes: "the reality of the China story defies these kinds of scenarios. The very nature of the China challenge means that no single group has the answer -- or even a complete definition of the problem."

While one can quibble with Halper's analysis, he offers a measured tone often absent from discussions of policy towards China. For instance, the "China as inevitable enemy" lobby risks pushing Beijing into becoming a real enemy. Halper strongly rebuts scaremongering about Chinese abilities and intentions.

He acknowledges the PRC's significant military investments. "But this is less a policy designed to challenge, and eventually fight, the United States, and more a policy of establishing an 'area of denial' around mainland China and Taiwan and an area of influence extending across the island chain to Guam," he adds. He is right to view catastrophic confrontation with the West as the least of Beijing's desires.

Halper similarly acknowledges the legitimacy of various trade complaints against Beijing -- in fact, he may give them too much credence in my view, given the incentive for domestic interests to inflate dubious disputes for their own economic gain. But he recognizes how these issues "are used and abused by politicians in ways that present oversimplified answers." Halper also recognizes the economic benefits to America of the bilateral relationship.

He is, however, an equal opportunity debunker. He dismisses the argument that trade and investment will inevitably bring Beijing toward Western practices. And there is more to life than economics. I wish capitalism automatically yielded democracy, but so far the PRC defies this easy relationship. As he warns, "prudence now suggests that China's hybrid system of economic liberalism and political autocracy is here to stay, for a generation at least."

Rare among Washington policymakers, Halper has the courage to criticize the view of American exceptionalism which assumes both a Manichean view of American liberty versus foreign tyranny and the universality of the America-backed system of liberty and progress. These national myths "help to force the China issue into the framework of false choices and grand oversimplification," contends Halper.

He advocates a measured course. Although rejecting the disastrous strategy of attempting to browbeat the rest of the world into accepting the hegemony of U.S. values, he believes "that American power has to expand and reapply itself throughout the world, albeit in notably different ways."

He avoids both panda bashing and hugging when he advocates "engagement with China on wide-ranging areas of common interest," while emphasizing that the two states are not partners. He believes that Washington should use Chinese concern with "face" by encouraging "multiple voices of international opinion to pressure Chinese officials." One of the best carrots for the PRC, and best tests of its ultimate intentions, may be offering Beijing a greater global leadership role through responsible participation in solving regional and global problems.

Halper's call to compete with China to purchase the affections of African officials is more dubious, however. Foreign "aid" has more often turned out to be a hindrance to developing states; the U.S. is in no position to undertake a large new spending initiative. Nor are there many geopolitical benefits from Africa to be bought.

He also offers a mixed bag of domestic subsidies and interventions. Halper rightly emphasizes budget responsibility, but some of the programs that he advocates -- pursuit of "energy independence," for instance -- have been tried many times and have failed many times.

Finally, he calls for competing with China in the war of ideas. Indeed, Halper contends that this is "the area where America poses the greatest challenge to China." The continuing attractiveness of the "American ideal" suggests that this is true -- and this argument sets his book apart from many more common and mundane tomes about the PRC's future, whether supposedly bright or ill.

However, this also is the area where the U.S. government can do the least. President George W. Bush was a negative for selling American values. President Barack Obama entered office promising to do better, but his policies are looking like a bust. The best America advocates are U.S. citizens, not Washington officials.

Halper has written a worthwhile and stimulating book. He well diagnoses the problems inherent to the complicated U.S.-China relationship, though his prescriptions at times are less certain.

"America is engaged in a global struggle to assert and sustain the primacy of Western values," he reasonably concludes. Indeed, the PRC poses a serious challenge. But the U.S. government remains ill-equipped to "assert and sustain the primacy of Western values" as Halper desires. This is a critical task, and one for all Americans.

**Doug Bandow** is a senior fellow at the Cato Institute. A former Special Assistant to President Ronald Reagan, he is the author of *Beyond Good Intentions: A Biblical View of Politics* (Crossway).