CHAPTER IV

GLOBAL DISORDER AND CHINA-UNITED STATES CONFRONTATION
GLOBAL DISORDER AND CHINA-UNITED STATES CONFRONTATION

A. INTRODUCTION

In the first decades of the century is atypical with regard to its recent predecessors; however, it forms part of mankind’s same course, which began with the Industrial Revolution in the middle of the 18th century. Moreover, surely, with a broader vision, it is part of an era that began in the second part of the second millennium of the modern era (1500 A.D.). In this era, the West was able to bounce back and to rescue a presence and leadership regarding East Asia, after more than a millennium and a half of economic, although also civilizing, dominance on the part of India and China.

There are many factors involved in the economic, political, social, and technological developments of the 21st century, and it is difficult to cover them in an essay of this type. Nevertheless, in the following sections, we will try to comment on the more important points that we believe are directly affecting the realignment of the global world, in which we recognize, firstly, a true change of geopolitical and technological era due to of its size and dimension.

Similarly, within the framework of this global development, a first explanation of the geopolitical confrontation that China and the United States will stage in an uncertain debate about the hegemony of the 21st century will be attempted.

B. THE GLOBAL DISORDER. GENERAL CONSIDERATIONS

The global order has never existed. It cannot exist, owing to the fallible character of human beings and as a result of the different
societies in which they dwell. As compensation, since the beginning of the time, a yearning has always prevailed, an aspiration that things will go well for the majority of people, and of societies.

Although the global concept is recent, in historical terms, the idea of the collective and its smooth functioning has been a constant feature of every human group. Nevertheless, in this formal construction of the term that has grown over the last few centuries, especially since the Treaties of Westphalia (1640), with regard to the existence of a *global order* increasingly regulated and accepted, in the last decades a widespread impression wanders around the world that what worked reasonably well as an *established international order* is collapsing quickly. This generates a feeling of helplessness and concern, not only about the solution to the global problems of the present, but also, in a special way, regarding how the world will solve the challenges of the middle and the end of the century.

This feeling, more and more visible since the first decades of the century, is not new. In fact, its current expression is an accumulation through time that starts during the mid-seventies. In that axial phase where many of the decisions and events that began to break with the last formal antecedent of the *global order*, Bretton Woods (1944), were produced, which after seven decades of existence demands a reengineering that articulates all the geopolitical and technological water under the bridge during the last years of world history.

The global society of the early 20th century saw war after war, genocide after genocide, as in 1914 and 1945. What had been achieved since the important agreements of Westphalia and the negotiations of the Congress of Paris (1815), among others, collapsed once again before the clash of the geopolitical interests of the time, which again incurred in one of the most serious mistakes of world coexistence—this being, to resolve their conflict of interests through the resource of war, which had been reduced through international agreements that had been reached earlier.
In the face of the loss of the restraint of the different interests of the global actors, the one hundred million deaths registered during the two world conflicts (Steiner, 2006) demonstrated both the precariousness of the global order of the time, and the important civilizing advances achieved by western society. However, at the end of the two wars, the trauma of unbridled violence disguised as legitimate national aspirations also generated a dialectic of greater depth with regard to the need for more comprehensive and sustainable global agreements.

The European Union, in its most finished expression, is one of the important consequences of the trauma of 1914 and 1945. It is also evidence that, for everyone, there are other paths. The signing of the Bretton Woods agreements (together with the Rome Treaties in Europe’s case, among others) emerged as a bold proposal to reorder what was orderable, to subscribe to a new starting point from which emerged for the first time, in dimension and content, an offer of institutions, accepted by the majority, and that could promote a more equitable and inclusive global development for the majority. From this feeling of world recovery, the United Nations Organization (UN) is re-launched in 1945; in 1947, the General Agreement on Tariffs and Trade (GATT) is signed as a regulatory principle of the new international trade among nations; in 1944, the World Bank (WB) is established, as a support bank for the growth of the world economy of the time; just as the International Monetary Fund (IMF) arises in 1945, which completed, in financial matters, an innovative scheme of guidance and regulation of a supposed global economic development. Certainly, this institutional platform was never perfect, and it was not able to move away from the interests of the winning countries of the armed conflict. However, the progress of its content and the multinational participation marked a historical referent with respect to what has been achieved in this area during the last two thousand years of the history of mankind.

Bretton Woods, which was the philosophy of a new agreement regarding global relations to support the economic and
trade development of the of the time, and the United States, which emerged as the big winner of the armed conflict (Pax Americana) and held approximately 50% of world’s economic product (GDP) and the same proportion of the world manufacture, became the two supports of a Western order that prevailed in a reasonable manner until the end of the last century.

These agreements showed the viability of their postulates before the notable success of a global economy, which from 1950 to 1974 grew close to an average of 5% per year, just as its trade climbed in the same period to the record of 7.4% average per year. (Ocampo, 2017). In a special way, the wild liberalism of the late 19th and early 20th centuries led Keynes to say that, “The decadent international but individualistic capitalism, in the hands of which we now find ourselves after the war, is not a success. It is not intelligent. It is not beautiful. It is not just. It is not virtuous. And it doesn’t deliver the goods” (Frieden, 2007, p. 305), was changed by a Social Capitalism that in most nations influenced an increase on social benefits of workers and society in general. In their most prominent cases, such as that of the Baltic countries and Western Europe, they built a true welfare state that went beyond pre- and post-war social demands. Even the United States built a New Deal, and the Latin American countries, in general, operated a renewal of public policy with a more inclusive character for most of its workers and populations. In the case of Mexico, where, in a prominent way, the Revolution of 1910 and the Constitution of 1917 were developed, the social imprint stood out as a remarkable antecedent of the time.

Broken the British cycle and its Pax Britannica, as well as the first and second stage of the Industrial Revolution that was imposed as a world order from 1750 to 1914, Bretton Woods emerged as the new global agreement and the United States as the new dominant hegemony. In particular, a more humane and committed capitalism prevailed with the society of the time, which showed, against all odds and theories of the time, that global integration, economic development, and social commit-
ment, were viable and possible. These policies were the constants of a new era, that, as noted above, have been weakening since the seventies in the face of the renouncement or the transformation of what has been achieved.

Is it true that there is chaos in the global order? Can it be said that there is a widespread fear and discontent with the path that the world is currently following? Do Modern societies feel threatened? Is there a crisis of the future, but also of the present? The foregoing are not new questions, but what cannot be denied is that from a whispering at the outskirts of the neighborhood, from an intellectual topic, the subject (general feeling) has become increasingly embedded in the global community, which, under different approaches but with the same destination port, shows signs of a great discontent with what it lives, but worse yet, with what is feels is yet to come. However, what in East Asia is a murmur, in the West (European Union, United States), Latin America, and much of the rest of the world, the unrest has already taken on overtones of concern, discouragement, and fear due to a reality that it cannot finish describing, nor manage to solve.

Chaos in the global order of the 21st century. Fear, says Bauman, of the insecurity of the present and uncertainty about the future. Insecurity and uncertainty resulting from the helplessness of having no control over the affairs of the whole planet (Bauman, 2010, p. 166). Lipovetsky, also confirms that this stage of the 21st century is characterized by the fear of the crisis of the future; fear of the technocracy and the disintegration of the political utopias of the time (Lipovetsky, 2008, p. 69). From a more concrete perspective, Judt points out that something in the world is wrong, adding that,

Poverty is an abstraction, even for the poor. But the symptoms of collective impoverishment are around us. Highways in bad condition, ruined cities, fountains that are sinking, failed schools, unemployed, poorly paid workers, and uninsured people: Everything suggests a collective failure of will. These problems are so
endemic that we no longer know how to talk about what is wrong, much less to try to solve it” (Judt, 2013, p. 26).

Bauman again argues on the subject, reiterating the general disenchantment that prevails in the world about the future. He summarizes the fact that 90% of parents in France and 53% in Australia, as an example of the aforementioned, estimate that their children will be in a worse position than them by commenting that,

With such a 180-degree turn, the future has been transformed and has ceased to be the natural habitat of hopes and the most legitimate expectations to become a nightmare scenario: the terror of losing a job and social status associated with it, the terror of having our home and the rest of our property and possessions confiscated, the issue of staring, powerless, as our children fall without remedy through the downward spiral of the loss of welfare and prestige, and the fear of seeing the skills that were so hard to learn and memorize stripped of the little market value that they may have left” (Bauman, 2017, pp. 16 and 17).

The exit of England from the European Union (Brexit), the secession threat of Catalonia in Spain, the arrival of Trump to the presidency of the United States, the disorientation and political neo-populism and the emergence of a Western economic neo-protectionism, are just some of the symptoms that measure the temperature of a historic time that tells us that something is amiss, even though it holds that, as various specialists claim (Bregman, Mahbubani, Ridley; etc.)

The last two centuries have seen an exponential growth in population and prosperity in the whole world. The per capita income is now ten times that of 1850. The average Italian is 15 times richer than he was in 1880. And the global economy? It is now 250 times larger than that of the Industrial Revolution, when almost every-
one everywhere remained poor, hungry, dirty, fearful, ignorant, sick... (Bregman, 2017, p. 12).

All these data and more are useless. They do not serve to acquiesce billions that, despite the achievements of each social segment since the Industrial Revolution, feel offended and dissatisfied with what they have and with what they would like to have. Likewise, and perhaps more importantly, a sense of unworthiness and fear about the future hangs over the accumulation of all that has been achieved.

May you live in interesting times wishes the Chinese proverb. Morris concludes: “We have the misfortune of living in difficult times” (Morris, 2014, p. 667).

C. THE GLOBAL DISORDER. SOME OF ITS CHALLENGES

Problems are accumulating for the global society of the moment. Paraphrasing Judt we could say that something is amiss.

The decline of global leaderships, the rise of new relevant actors, the change of geopolitical eras, the clash of cultures, of civilizations (mega-trends) etc., there are too many issues that complicate today’s society, both for the analysis and the elaboration of a proposed way out.

If this was not enough, the new vectors that summon society, such as the decline of the industry as the dominant economic sector, the technological substitution and consequent global unemployment, the end of the Carbonic Era, the depletion of raw materials and natural resources, the deep economic inequalities and the challenge of ecological sustainability, etc.; are parts of an overexposed agenda that demands the wisdom and the commitment of a humanity which boasts its triumphal arrival to the new millennium.
Will we have to get used to the New Normal as defined by the Organization for Economic Cooperation and Development (OECD)? Will we live the New Mediocrity described by the International Monetary Fund (IMF)? Will we float in the secular stagnation that Larry Summers reveals to us? Or, in the Mexican case, will we be condemned to live in the stabilizing stagnation to which Suárez Dávila alludes?

The starting point to all these issues does not seem to be very strong in global terms. In the face of the referent that everything is according to the color of the glass with which one sees, the 50% of the world population that lives with 1% of the world wealth is not very optimistic in this regard. The other 1%, which controls 50% of GDP, will surely have a different opinion, as well as the 10% that enjoys almost 90% of the world wealth (Credit Suisse, 2015). Such an unequal world is not a reliable platform to solve the global discontent, especially, since in terms of population, it is estimated that we will reach 10 billion people in the middle of the century, which, just as the 7.5 billion people today, surely will demand equal or higher economic conditions.
The first consideration aimed at the solution of these global challenges will have to distance itself from the false debate between the pessimism and optimism of the ideas and accept with full sensitivity that we live in complex times, new times, that require specialized, continuous efforts, in constructing the alternatives to the solution of a global disorder that already today faces belligerent conflicts, (Syria, North Korea, Somalia, etc.) global dissent, or even the risk of its own extinction (Anthropocene), which pales those expressions that indicate that this world has already resolved this type of problem on previous occasions.

In the framework of these overflowing challenges, it is healthier to accept their dimension and complexity, in order not to dismiss them (remember Trump’s position on climate change). To accept that they are not only real, but as part of their own decomposition process, they currently also respond to decivilizing profiles and social erosion in their cultural and moral aspects, which complicates the path of their solution.

The problems of our time, from this perspective, could be structured in two distinct stages that are already testing the talent and capacity of global society to solve them. The first, which was born with the century and will last until mid-century, will be characterized, as is already the case, by the clash and outcome of the two mega trends that are major concerns today, which are the ascending predominance on the part of China with regard to the United States (the Chinese inevitability) and its direct consequence, the transfer from the Atlantic to the Pacific eras (Asian inevitability), also as a result of a long debate which will continue to be discussed every day, but whose most important consequences will already have been implemented by 2050. The clear geopolitical trends that these two changes face today in favor of China and East Asia, will be exposed to the dynamics of their own efforts, as well as to the radicalization or belligerence that the displaced actors, like the European Union and the United States, assume.
2000-2050  | I. Mega-trends
---|---

* **A) The Chinese Inevitability**
Displacement of the United States from the political leadership of the 21st century

* **B) The Asian Inevitability**
From the Atlantic to the Pacific
Displacement of the West as a dominant geopolitical Era

2000-2100  | II. New Global Tendencies of the 21st Century
---|---
1. End of the industrial Era  | 7. Climate change
2. Technological substitution  | 8. Citizen empowerment
3. World unemployment  | 9. City of the future
5. Demographic explosion  | 11. Migration
6. Depletion of Natural Resources  | 12. High financial concentration

**SOURCE:** Own Work.

The second stage, that comprises from 2000 until the end of the century, must solve urgent issues never solved before, such as the great global unemployment caused by the decline of industrial development and manufacturing, which along with the technol-
ogy substitution by 2030, for example, already threatens us with the possible loss of 2000 million jobs around the world (Millennium Project, 2017). As an example of the foregoing, the jobs susceptible to this loss would represent figures of 47% in the United States, 39% in Germany, and 35% in the United Kingdom (OECD). Similarly, in the coming decades, we will be witnessing the end of the carbon era, which would end nearly 300 years of industrial development, which started at the beginning of 1750 along with the First Industrial Revolution. This period will be culminating either due to the depletion of cheap oil or for reasons of environmental survival, which should lead us to a new period of cheap and clean renewable energy.  

Also, the population political power will yield its place to the lateral power organized in a nodal form throughout society” (Rifkin, 2011, p. 18).

Rifkin predicts that the oil industry, one of the most important of the First and Second Industrial Revolution, the transforming base of countless industrial sectors, will live its last battles in the next four or five decades, to pass, then, to its minimal expression and to disappear as a strategic weapon of domination. The end of the Carbonic Era, that sooner or later will have to be abolished; the technological substitution that Keynes anticipated and Rifkin reaffirmed; a persistent pollution, that is now intolerable, will be, among others, the reasons for the oil industry’s decline, which together with the industrial sector as a whole, are doomed to leave their place to new economic and energy expressions, that will change the source of wealth and the relevance of the nations. Due to culture or necessity, the oil industry has before it the last opportunity to generate development, jobs, and growth during the decades to come. The sector that came to replace the employment and development of the agricultural sector a quarter of a millennium ago, product of its own success, will be reduced to a point where it will be unable to determine empires, as it did in the 19th century (Great Britain) and in the 20th century (the United States), nor will it ever be again the great employer of the online production that originated and gave meaning to the Second Industrial Revolution. The nations that have known how to manage the advantages of this revolution during these 250 years will have a last opportunity to accompany it throughout this third and last stage to generate development and employment (Rifkin, Marsh, Pisano, Shih, etc.). Those countries that did not have this opportunity, or did not know how to seize the moment, or even denied its industrial importance as Mexico did, will have a more difficult path to be beneficiaries of this latest wave of energy conversion based on hydrocarbons. In any event, the next decades will be the last for the
explosion that we will still be living until 2050, as was mentioned before, will reach close to 10 billion people during the coming decades, will lead us to an unprecedented path of permanent challenges, like arriving at the year 2030 with an average of 70% in the middle class, which will be demanding more satisfiers and energy units for a new population of three billion people. Similarly, the demographic challenges will be radicalized by the middle of the century, where more people will be 65 years old than 15 years old (Millenium Project). The Earth needed ten thousand years to reach its first billion inhabitants. The second billion were born just 130 years later. The last billion people only needed 12 years. On the other hand, speaking of the material resources of that population and their expectations, today, if the whole world population could be served with resources similar to those of the developed nations, the global consumption would have to be multiplied by eleven, which would represent a hypothetical number of 72 billion inhabitants. If this simulation of the average consumption of the West is maintained (meat, fish, water, energy, plastic, wood, etc.) in 2050, we would be speaking of a commercial consumption of 105 billion people for the more than 9 billion human beings (Smith, 2011, p. 36). In any scenario, there are insufficient resources on the Earth for the total population to be able to reach the current consumption standards of the United States, Germany, or England.

With regard to natural resources, currently four-fifths of the Earth’s surface (excluding Antarctica) is already subject to the direct influence of human activities, and some studies foreshadow scenarios where the conventional oil or cheap oil, would have a supply horizon of 40 years, natural gas of 60 years, iron of 72 years, copper of 35 years, zinc of 24 years, silver of 14 years, lead
of 22 years, nickel of 21, etc. (Smith, 2011, p. 383). In any case, one does not have to be psychic to know that there are already problems in energy resources, water, fishing, forests, herds, and agricultural production. Markedly, the climatic change which was produced mainly by the Industrial Revolution and its poor management, especially on the part of its first winners, England and the United States, and now by their potential successors, China and India, appears within these new 21st century vectors, due to the transcendence of the consequences which could lead to the extinction of human beings. Within the global vectors of the century, there is nothing of greater concern than the possible consequences of climate change. From Tokyo to Paris, the advances adopted by the global society for a climate change solution are limited and insufficient and require a real effort in the matter.46

As for the cities of the future, ECLAC points out that more than 80% of the world population will live in cities by 2030. In the case of Latin America, it will be 90%, with the consequent problems of vehicular congestion, economies of scale underutilization, housing deficit, inefficiency of resources, pollution,

---

46 The three-degree syndrome that is the result of the irresponsible use of hydrocarbons within the Industrial Revolution, is a conundrum that from a simple concern of idle scientists, as it has been treated during the last fifty years, has now become a scientific truth that, going beyond books, has found the validity to prove itself in the climatic phenomena that every nation is suffering from in a different way, such as hurricanes, tornadoes, rising sea-levels, and the disappearance of layers of aquifers, snow, and Arctic runoff. In this global warming syndrome that begins to be treated as credible, it seems that a simple variation of the current temperature between 1.5° and 3.5° C, may lead to the mass extinction of plant and animal life in less than one hundred years, and that the recovery would take millions of years. In this predicament, carbon dioxide has been declared as the primary culprit and the Industrial Revolution as the medium that has made it possible. The preindustrial carbon dioxide levels had never exceeded 280 parts per million (ppm) in the last 50 thousand years and the current industrial levels have already surpassed 387 parts per million in 2009; should this tendency continue, it could lead to an increase of not three but five degrees in the temperature of the Earth’s surface by the end of the century or the beginning of the next one, causing the disappearance of human beings (Smith, 2011; Rifkin, 2011), in (Oropeza, 2015, p. 456).
among others. Thus, urban planning appears urgent. Along with this, the ECLAC adds, the citizen awareness will also increase exponentially. The increase in educational levels, use of Internet, civil rights, the new computational culture, the price decrease in this area (a penetration of 90% of wireless technologies is estimated by 2030) make it possible to expect a greater demand for the attention to political, social, and economic rights in the new generations (ECLAC, 2016, p. 34).

As can be seen in the light of this brief sketch on the challenges of the century and the global disorder, there are good reasons for this disorder, given the unprecedented nature of the challenge. Nevertheless, the global society through the United Nations Organization (UN) and other international bodies such as the Economic Commission for Latin America and the Caribbean (ECLAC) have already begun the analysis and development of proposals for the solution of these new global vectors. However, as long as its new dimension and the demand for a global response are not recognized, its political, economic and social influence will continue to be part of the discontent.

D. THE GLOBAL DISORDER. THE ASIAN FACTOR

The geopolitical crisis that we live in did not begin today, nor did it arise from the 2007-2009 economic crisis nor at the beginning of the century and the millennium. In this sense, the proximity does not help surmise what is happening in the global arena. As Morris recommends, historical anthropology is of great help in understanding the changes of a century as atypical as this.

1. The Axial Change of the 70’s

At the end of the glorious 30 years, as the first three decades that followed the post-war period were called because of the success of their results, the roots of the present problems began to spread.
After 1950, amid its first economic problems, the United States abandoned the gold standard in 1971, among other things, because of its inflationary and budgetary problems brought about by the Vietnam War. This was one of the causes of the first global economic crises. Similarly, the abundant trade deficit that now worries President Trump so much, had its starting point in 1971, when the decline of the U.S. trade balance, which has not stopped for a single moment through these nearly 50 years, began. In 2016 alone, it lost 734 billion dollars with the world, of which 532 billion dollars corresponded to Asia, (350 billion dollars were lost with China); 165 billion dollars to Europe and approximately 8% to Mexico.

During this period, the decline of the economic and industrial growth rates of the developed world also began, within the framework of the first oil crisis of 1973-1974.

Significantly, the emergence of new lines of economic development began in the theoretical framework, such as those headed by Daniel Bell, Hage, Block, Powers, etc., who postulated the...

47 Daniel Bell, in an outstanding work of his time (The Coming of Post-Industrial Society, 1973), warns a hypersensitive society in advance about the phenomenon of industrial change. That, the era known as the Industrial Revolution was nearing its end, and a new post-industrial era dominated by the services of the Information Era (trade, finance, health, education, etc.) would become the trigger in a new pairing between science and technology that would become the trigger for development. That, a new era, supported by the industrial change to electronics, miniaturization (nanotechnology), digitization, and software, in its various expressions, already warned of a new global society dominated by intelligence and technological knowledge, which would displace the mechanical, electrical, and electromechanical work of the Industrial Revolution. Regarding his vision and his proposal, although he clearly pointed out since the beginning, in the title, that it was an era yet to come (which Bell himself, in follow-up documents in 1999, placed as from the 21st century onward), quite a few decision makers—such as Václav Havel, Margaret Thatcher, or the former president Clinton himself—as well as an entire academic current on a global level, celebrated not only the notice of change, but the dismantling of their own industrial structures. In this regard, with great timeliness, Marsh comments: “For everything that has been said regarding the world moving to a «post-industrial» era, the factories at the beginning of the 21st century are producing consider-
preeminence of the information services era over industrial activity, which influenced the vision of the public policies of the time in a relevant way. These, in a false debate, opted to privilege the new economic world of intelligence, which was certainly correct, except that the new policy not only passed the industry and manufacturing duties to second place, but in a degree of major carelessness, placed them at a sub-level of internal development and public support.

Along with that, Social Capitalism, a current that had managed to impose itself on a good part of the global society at the end of the wars, which operated, as was mentioned earlier, a larger economic and commercial exchange throughout the world together with the application of a wide range of social policies, faced with the beginning of forgetting the Holocaust and the propulsion of the economic cosmopolitan elites (as Nye calls them), allowed the resurgence of a school of economic thought that was present since the critical years at the end of the forties. The will for a more just world had shifted it to a second plane.

The economic thought of the Society of Mont Pelerin headed by Friedrich Hayek, Mises, Lippman, Erhard, and many others, reappeared in the seventies as the foundation (Dogma) of a new public policy that forgot its post-war economic commitments, moving the State away from its social responsibility. In this regard, Sachs laments,

Fortunately for me; I was educated on the merits of the mixed economy during my years of study (1972-1980), by intellectuals of great standing who guided the American economy after the Second World War. This era of economic thought that extended from 1940 to 1970 was called the Paul Samuelson era, the genius economist from MIT who personified the economic probably more goods than before. In the year 2010, the manufacturing production was approximately 150% greater than in 1990, 57 times more than it was in 1900, and 200 times higher than the production in 1800” (Marsh, 2012, p. 15) (Oropeza, 2013, p. 217).
fessional during the height of American global leadership. More than any other economist of his time, Samuelson provided the intellectual foundations for the modern mixed economy that operated in the United States and Europe after World War II. The crisis of the 70s—Sachs adds—opened the door to systematic attacks on Samuelson’s mixed economy theories, which held both the economic boom and the post-war social commitments, giving way to a new school of thought led by Milton Friedman and Friedrich Hayek, who introduced the market economy to substitute the mixed economy (Sachs, 2012, p. 30).

Ronald Reagan (1981-1989) in the United States and Margaret Thatcher (1979-1990) in England, as is known, were the main political instruments, who, sheltered under a new post-industrial era and under a new neo-liberal economic dogma, began to dismantle the mixed economy and the responsibility of the State with the society, raising a live-and-let-live attitude, that radicalized since then and through today the contradictions of an economic model that is now accused, with more than a small degree of cynicism, of being inequitable and insufficient by most western economies.

2. The Opening of China During the 70’s

That was happening during the 70’s of the last century in the Western world, which by that time seemed an omnipresent and universal reality, because of its political and economic weight. However, at the other end of the world, a forgotten China, exhausted by the social problems of its meager economic growth, also at the end of the seventies, made the historic decision for the first time in more than 2000 years of the Chinese Empire, to break its walls and go out in search of economic solutions to its serious internal problems. Mao had died in 1976, leaving behind him millions of deaths from the famines that resulted from the failure of the Great Leap Forward. Significantly, his planned-econo-
my project was not successful in solving in a sustained manner the primary needs of the ever-enormous Chinese population. Deng Xiaoping was the Chinese artifice of that historic moment. First, he was pressed for short-term economic solutions relating to food, clothing, and housing, and did not hesitate to turn his gaze towards the Western world of his time and insert himself into it successfully. He imposed a new and unknown neo-liberal economic reality, the emphasis on the Chinese characteristics, through which China has managed to impose itself to the Western economic dogma at every turn since the end of the seventies.

The importance of the convergence of the Western structural changes during the 1970s, along with the Chinese opening, lies in that the moment unites them to cancel the best of the post-war social changes, which were formal work and social benefits. The foregoing, in the face of the Western abandonment of its mixed model economy on one hand, and, on the other hand, the needs of a pauperized China, which at the time of its opening and in the face of the high degree of its weakness, offers the world of industry and manufacturing 900 million new workers who, for a plate of rice or 30 cents per hour, were ready to restore the status quo of labor precariousness that prevailed throughout the world until Bretton Woods and that had been disarticulated with the postwar changes.

At that time, the economic world lost good judgement and commitment to social policies, and just as they were strengthened in a widespread manner from 1945 to 1970, since 1978 to date, they have been exposed to a clear deterioration, sometimes gradual and often drastic. This is currently presented as one of the main causes of the global society’s discontent.

From this historical juncture, the West betrays the West in its social commitment, contributing to the financing, technology and relocation of its manufacture to China (but also to East Asia) by not considering it relevant for a new post-industrial world. At the same time, it decides on its displacement to Asia in search of maximum profits through the precarious Chinese-Asian work-
force. China, for its part, acts and decides within the framework of its social contingency and the thought of Deng Xiaoping, who since 1980 pledged to provide food, clothing, and housing to his entire population during the last third of the 20th century (which he fulfilled) and to provide during the first half of this century, as it seems he will do, a developing country income to his enormous population of 1.4 billion inhabitants.

The global consequences of these decisions on employment and social benefits in the industrial sector are that 75% of the manufacturing workforce in the world is currently monopolized by China with 50%, and by India, with 25%; similarly, by developing nations, mainly Asian, with 84%, and by developed countries, with 16%. In terms of salaries, the result has been that the jobs and labor income of the West and the world in general have been progressively pauperized becoming part of a global matrix that erodes the labor social benefits, to the detriment of Western standards. As a secondary effect, this global employment logic also contributes to the increase of informal labor throughout the world, which in the case of Latin America has an average of 50% (2015, ECLAC).

It is true that a good part of China currently has similar or higher wages than Mexico, and that about 80% of its formal workforce has social benefits. However, it is also true that a large proportion of its central and western population is still far from this economic reality, in that still confusing universe of the many Chinas within China. However, this factor is already irrelevant, because this systematic practice of Asian precarization has been extended to the majority of the population of East Asia and, in general, to the developing world, which, under the same model of exploitation, does not hesitate in trying out the path of their development through meager wages and null social benefits for their people (Vietnam, Bangladesh, India, etc.); now used not only by the Western multinationals but also by the Asian consortiums themselves.
The problem of this reality of precarious manufacturing wages (that, in the case of a longer duration, counts on a reserve of more than 1 billion inhabitants in Africa or 1.2 billion in India, etc.), is that it plays as a permanent factor of inhibition for the increase of real wages in both the West and Latin America, either in a real way (because that number of jobs can be effectively transferred to Asia under precarious conditions) or induced (which threatens workers with relocating, as blackmail to prevent the increase of their salaries and benefits). This mechanism, which fully broke down the spirit of Bretton Woods, is one of the strongest reasons today (one would have to add the variant of the technological substitution from 2000 onward) for the loss of the salary gains of the Western societies and of the per-capita indices of these countries, such as Greece -22%, Portugal -5%, Spain -7%, Italy -11%, but also France -1% and England -4%, have seen the decrease of their income in recent years (Indexes P/C 2007-2014, ECLAC, 2015). In the case of Mexico, wages have lost 75% of their purchase power during the last 30 years. And in the United States, for example, the average annual household income from 2007 to 2014 lost 4.6%; and 25% in terms of the average annual salary in the same period (Godínez, De Los Ríos, 2015).

The Asian precarization is not solely responsible for the breaking of the Bretton Woods social commitments and its economic and trade consequences in the world, but there is no doubt that it is one of its most important causes.

3. The Consolidation of the Asian Model of Development

China was not the direct author of the Asian Development Model (Market Socialism), nor was it its core strategy, which was based on the creation of Special Economic Zones (SEZ). What the Chinese case did was to demonstrate the pre-existence of a development strategy with Asian characteristics, mostly confucianism, which had already been implemented by other nations...
within the area, in the face of the spectacular economic performance and the significance of its enormous population.

From this perspective, Japan turns out to be the author of this hybrid development model that emerged in the 19th century as a response to the hegemonic escalation of the Western nations of the time.

In the framework of the appropriation of the Asian people by the West, which begins with the arrival of Vasco de Gama to India (1498), whereas the latter country is defeated by the English invader, China bends but never surrenders to the cluster of Western powers that invaded it on multiple occasions since the Opium War (1839-1842) throughout the 19th and 20th centuries. Japan, unlike India and China, decides to avoid confrontation and, on the contrary, seeks its assimilation with the Western wave via, first, the internal ordering of the politics under the responsibility of the Meiji Dynasty in 1867, which ends with the division of the power of the feudal lords who had prevailed to date; and second, through an intelligent decision to copy the enemy’s main strengths. This strategy of assimilation was mainly encompassed by two main areas, which were considered to be of the greatest relevance by the first modern Asian statesman, the Emperor Meiji Tennō (1867-1912), who immediately upon his ascent to power ordered the study of the Western institutions by means of direct contact with the European powers. In the political arena this produced, as the first result, the Japanese Constitution of 1888. In the economic arena, his awareness led him to understand that the economic difference between the West and Asia of his time was industrial knowledge, which he also adopted as a main line of his period. In 1877, he organized the first major industrial fair in the first park built for the effect in the locality of Ueno, which was only the first of a long list of industry fairs sponsored by the Japanese State. This significant exit policy was accompanied by an appropriation of Western knowledge through all the means at its disposal: the purchase of technology, hiring specialized foreign personnel, copying technology, and of course, though a broad
internal campaign of education that originated, overall, that at the end of the 19th century Japan was already considered an industrial power, and that in the first half of the 20th century, in an unfortunate calculation of its success, Japan decided to invade China twice and suffered its failed participation, as an Asian hegemon, in the Conflagration of 1939.48

The only point that the above means to highlight is the important appropriation of Western industrial knowledge by Japan in such a short period of time, rising with it from a pre-modern nation to an industrialized world hegemon. Similarly, what is highlighted is the pairing of the appropriation of the Western industrial knowledge by a different culture and idiosyncrasy, which during the combination of political and economic activity results in a development strategy with its own characteristics.

Much has been speculated about this. First, denying the possibility of the scientific existence of an Asian development model. Then, pointing out that although the subject can be discussed, its authors transit from Alexander Hamilton, passing through List and expanding with Bismarck. Without denying the influence of these and other sources of a model that clearly has focused on the stamp of a development based on the industrial and scientific concern that predominates in the West since the first industrial revolution, what makes it different and gives the particularity of Asian comes not from the Western political institutions which it adopts, but from that millenary vision of the Asian power and its relationship with its society, where for more than 2000 years, the political forms have stood for secularism, at the same time as for its verticality and different degrees of authoritarianism. Where the balance of its power goes back to the millenary Confucian association of ruler-subject, where for the governed, it is an unquestionable duty to respect the State, as for the ruler-State, the permanent care of the subject’s well-being is an inalienable re-

sponsibility. This matrix of political power is what explains the naturalization certificate (adoption) of the Asian Development Model and its main differences with regard to the Western model, especially that the latter, as has been mentioned, has always been, but even more in recent decades, inserted in an interminable debate between the State and the Market that still does not have an appropriate response neither in the dogmatic nor in the application of Western public policies, and that day by day, increases its role of pending subject as Sachs, Judt, Mazzucato, and others decry. This happens in the face of an Asian Development Model that always has had an answer to this political-intellectual controversy, concentrating all its energy and strategy on obtaining a development where the State has never doubted the importance of its participation.

In this regard, Japan, and of course Taiwan (formerly Formosa), Korea, Singapore, China, and the other countries of East Asia with wide Confucian influence, did not need to learn the protectionist role of the State from Hamilton’s fundamental papers (1757-1804); nor they had to read from List (1789-1844) his thesis on the National System of Political Economy, where he also explains the importance of the role of the State for the development of an industrial plan and the economic growth of any country. Nor is it required to research the management of protectionist postures to favor the growth and development of the industrial activity adopted by Bismarck since the seventies of the 19th century, within the framework of the barely emergence of the German State (1871). China did not have the need to do so, not only as a starting point for the good development of a national industrial project, but as a permanent and sustainable policy for its success, which is its main difference with regard to the West, because since the period before the modern era, the books of Confucianism that governed the operation of the eastern public policy already existed. The Great Learning, Doctrine of the Mean, Analects by Confucius, and Mencius, among others, dominated since the 5th century B.C. and at various times during the Chinese civilization,
as basic texts in the imperial tests, where the public official was taught about responsibility and good government of the State, understanding that to mean everything from the love and example of the State over its governed people, to the indissoluble bond of respect and responsibility between State and governed, where the superior, the State, has an obligation to protect the inferior, and this in turn to be loyal and to be respectful to the superior, the State, as the natural order of things.

Over the centuries, the participation of the Asian State in the good governance and success of this practice has had ethical overtones, of permanent custom, and not of a temporary mechanism of support for the takeoff of any public project. Thus, the prevailing State-Market dilemma in the Western arena is not an issue that is part of the public concern of the modern Asian State, which is transformed into one of the major differences between the Eastern and Western tasks in the global economy. This has been one of the main reasons for the prevalence of the former over the latter. Deng Xiaoping resolved all these questions, which are not very clear to the Western Dogma, when he declared on the subject that, “There is no fundamental contradiction between Socialism—that is, the economic participation of the state—and a market economy”. He added that it was wrong to claim that the market economy only exists in a Capitalist society; summarizing on the Chinese position that, “Currently, there are two models of productive development. To the extent that each of them serves our purposes, we will make use of it. If Socialism is useful to us, the measures will be Socialist, if Capitalism is useful to us, the measures will be Capitalist” (Oropeza, 2008, p. 45). That is, as much state as it suits us and as much market as possible. In this regard, Huntington concludes, “East Asians attribute their spectacular economic development, not to the importation of Western culture, but rather to the adherence to their own culture. We are succeeding, they say, because we are different from the West” (Huntington, 1996, p. 109).
The Seventies, we insist, is an unfinished territory that has not been explored completely where many of the original causes of the global disorder that we acknowledge today are found.

In that decade, most of the structural changes, which broke with the original idea of Bretton Woods of a more integrated world with a high degree of social commitment, were decided. Unbridled Capitalism retakes control of things since the late seventies, and today its results respond to most of global dissatisfaction. The betrayal of the postwar world with a social commitment was perpetrated from the moment that in the framework of the first opening of China (1978), large capitals arrived to pay no social benefits and to cover starvation wages.

Together with this, the otherwise successful incorporation of China into the global economy in the late seventies, through the wide exercise of a heterodox lead development model, with Asian characteristics, have led, among other causes, to the breakdown of formerly generally accepted economic paradigms, such as the geopolitical leadership of the United States, as well as the cycle of a Western Atlantic era.

The paradox of this loss of the West regarding East Asia, is that the Chinese miracle, and now the Asian, was made with the financing, relocation, and technology that came from Western cosmopolitan elites, which in their short-term Market vision, lost their supremacy before the Asian civilizations’ vision of State.

E. THE CHINA-UNITED STATES DEBATE

1. Huntington Rides Again

The good intellectual consciences and the most reserved opinions of the time, received with a certain hubbub the 1993 publication of an article that later became a book in 1996 (The Clash of Civilizations) by Samuel P. Huntington. It was understood as a provocative reading because it talked about the possible clash between the relevant civilizations of Asia and the West, without
discarding the religious element as part of that confrontation. In the central part of his approach, he warned of the economic and geopolitical return of those Asian civilizations, and in particular, the Chinese.

Beyond the speculation of a work of perspective, which risked the vision of new and disturbing scenarios, Huntington’s book is rich in content that cautions the West in general, but the United States in particular, about the delicate situation that they held during the nineties regarding the vertiginous rise of the new East Asian and Chinese civilizations.

In this regard, Huntington wrote,

> It seems plausible that during the greater part of history, China has taken the largest economy in the world for granted. The diffusion of technology and the economic development of non-Western societies during the second half of the 20th century is currently producing a return to the usual historical pattern. This will be a slow process, but by the middle of the 21st century —Huntington predicted— if not before, the distribution of economic product and the volume of manufacturing production among the major civilizations is likely to resemble that of 1800 —predicting categorically that if nothing was done in this regard— the two hundred years of fleeting Western parentheses in the world economy will be over (Huntington, 1996, p. 103).

If this was not clear enough, he commented that in 1919 Woodrow Wilson from the United States, Lloyd George from England, and Georges Clemenceau from France determined the fate of the countries of the world.

One hundred years later —he said— no group of statesmen could exert similar power —adding that— in the event that any group comes to exercise it, it will not be formed by three Western countries, but by the leaders of the central States of the seven or eight main civilizations of the world —adding that— the successors of Reagan, Thatcher, Mitterrand and Kohl will have Deng Xiaoping, Nakasone, Gandhi, Yeltsin, Khomeini, and Suharto as rivals
—adding to avoid any doubt that— the era of Western domination will have passed into history (Huntington, 1996, p. 107).

A quarter of a century ago, the United States, just like the rest of the West, did not understand this and other signals that clearly warned of the advent of new Asian geopolitical actors led by China, which would threaten its economic dominance and global leadership in the 21st century. Huntington was not the first to talk about the American and Western weakness in the third part of the 20th century. Already, other less eloquent voices had talked about the American weakness and the risk to Western dominance (Mac Ewan, Cypher, Cusminskey, etc). Notwithstanding, Huntington’s voice was one of the clearest of his time, although he did not manage to make himself heard in terms of a geopolitical reaction by the leaders in charge of the United States and the European Union. Today, to China’s satisfaction and the concern of Western nations, the confrontation is very advanced in economic and geopolitical terms, and it is the cause of the major seismic movements of the global disorder of our days.

2. China’s Inevitability

The western world reacts late to the issue of China. It arrives late and understands little about its appearance on the global stage. Having the idea of an eternal Western cycle, Europe and the United States forgot the history of the millennial Asian predominance (China and India), and they confused the first Chinese opening of 1978 with the opportunity to multiply profits through the casualization of the labor force in Asia, believing that East Asia and China could fulfill a simple assembly-line role, which they could suspend or cancel when deemed appropriate.

In the context of this confusion, the West forgets its post-war commitments, and in the face of the Chinese decision to join the trade and the global economy through the strength that remained after the Maoist period, which was its huge supply of cheap la-
bor, the West decides to fall into the global trap of taking it and in doing so, it breaks with the logic of global development that prevailed from the 50’s to 70’s of the last century and its philosophy of social commitment. At the end of the day, this abdication affected both the precarious situation of the Asian workers (who did not care about their micro-salaries or the absence of social benefits or the destruction of the environment) and, in the end, their own workers and the middle classes.

Now, when on many occasions, it is mentioned that globalization is the culprit of global disenchantment, of the decline of benefits and jobs in the West, it is worth remembering that globalization is not synonymous with precariousness and that the relocation caused by this motive, mainly in East Asia, but not only in East Asia, is one of the main causes of what we now understand as the Asian Inevitability; that is, the Western weakening, of Europe and the United States, and the systematic strengthening of China and East Asia.

Throughout the 20th century, since the fall of its last empire in 1911, China begins the difficult path of its reconstruction after a decadent period that is characterized by the dominance of the Western nations.

The recovery after the imperial glories was not easy. An endless process of military and social rearrangement kept it busy until 1949, when the revolution of Chairman Mao triumphed. However, neither was it later, because the communist path taken by Mao during his period failed to solve the primary needs of the Chinese people. At that time, neither in China nor abroad was it thought, as happened, that in just four decades after those famines and economic failures, China could be competing today with the West in general, and the United States in particular, for the hegemony of the first part of the 21st century.

Just as there is no historical antecedent that beats the speed and conditions of the dissolution of the former Soviet Union in 1991, there is also no example in economic history that rivals
with China regarding the time of its economic and geopolitical recovery.

The miraculous recovery of China is preceded by more than two thousand years of civilizing success. In particular, those that correspond to its last 1800 years of world hegemony. Furthermore, one must add the sensitivity of a generation of statesmen (Deng Xiaoping, Jiang Zemin, Hu Jintao, Xi Jinping, etc.) who understood the peculiarities of a new time to whose creation, China, by the way, did not contribute. The incorporation of China into the global economy in the 1970’s was a huge challenge with a high degree of complexity, where any mistake would have had an impact on the scope of the results that we are now celebrating. As is known, this was not the case. On the contrary, the correct diagnosis of a time of change and the progressive role that it best suited China to choose, have been the constants of its actions during recent decades. At the same time, the lack of understanding of China and the absence of a fortunate strategy to deal with it in economic and geopolitical terms has been the Western constant.

A measured, progressive, selective opening, where despite its multiple economic constraints, China decided on the West. These were the strategic lines to orient the first external flows according to the Chinese interests. A selection of preferred economic zones, of chosen sectors, with their own times and movements, were imposed at all times to Western investors. In particular, it demanded from the start to the majority of the Western economic actors the transfer of technology and association with Chinese entrepreneurs in exchange for accessing the appetizing Chinese market, and with that it changed its destiny from being the great assembly plant to the great factory of the world. The foregoing was strengthened by the extensive and informal (piracy) technology takeover on the part of China over all industrial sectors of its interest.

In this way, the assembly plant, in a historical leap, transformed itself into national manufacturing where China actively
participates with 50% of the content of everything it produces, in its capacity as the largest exporter of the world; and where 50% of the manufacturing companies belong to the State. If this was not enough, in 2013 China put in place a program to increase its national content (Made in China 2025) through which it expects to reach 70% in all its manufacturing by 2025. Therefore, when one talks about the Chinese miracle, we insist, one would have to consider the West as one of its main authors.

The war for manufacturing in this economic cycle is over and was won by China. This is evident since 2010, at that time China retook the leadership of global manufacturing, which it lost in 1880 when it was overcome by the United States. Today the Asian country holds more than 25% of world production, while the United States, in frank decline, participates with less than 15% in this area.

In recent decades, it would seem that the constant regarding China has been to bet on two possible scenarios; which are more of a wish, than the result of a realistic analysis on the nature and implications of the Chinese miracle. The first, very useful at the end of the 20th century (Fukuyama, Gordon, Guiddens, etc.), was that China, by the very inconsistency of its economic strategy, would collapse irremediably before the new millennium. The other bet, which varies in time and circumstance, is that China would not be able to manufacture vehicles, trucks, high-speed trains, airplanes, boats, etc., for lack of technology, and because the innovative Asian nature was inferior to the Western one. As it has been recording success after success, achievement after achievement, China is today the main producer of the majority of these products, as well as many other lines of manufacture of low, medium, and high technology.

In the face of the Chinese economic success and the escalation of the debate over its economic inevitability over the United States, the action has moved to the last step that China needs to conquer, which is that of intelligence services. Regarding this, just like 30, 20, or 10 years ago, part of the Western opinion
argues that China does not have the capacity to overcome the Western progress in this area, and in particular, the leadership of the United States. And, just as in previous decades, they have used denial or lack of credibility as the best strategy against the Chinese approach. For its part, China, through a systematized project, detailed in times, objectives, and movements, as it has done since the “Four Modernizations” of Deng Xiaoping, already has plans to reduce its differences in high-technology services by 2025, as well as to strengthen its position by 2035, in order to become a world leader by 2045, and the greatest technological power by 2050. Under this long-term approach, China expects that science and technology contribute to 60% of its GDP, and that 2.5% of it is intended for research and development, which would lead it to be the nation with the highest rate of participation in this area.

To achieve these goals, China is already planning to build 45 Innovation Centers by 2025, as well as reaching 2020 with an average of 100 robots per 100,000 workers. Similarly, it expects to reach the year 2025 with an automation of 84% using numerical control and with a digitization in design tools of 64%. All of this, while seeking the development of national innovation capacities and promoting the formation of talents (Made in China, 2025).

Regarding the upgrade of the national content, it will be achieved by means of three strategies: through the replacement of technology, the Chinese domination of emerging industries, and the “pressure or motivation” on the leading Western technological actors to share their technology. This last strategy, advertised by China without apology, seeks to repeat the same formula of opening from the late seventies, that is, to offer the seduction of its millions of consumers in exchange for technology.

In this sense, China remains clear (a clarity that the West refuses or does not consider convenient to understand) by not hiding the terms of its strategy. Through its Made in China 2025 plan, the Asian country warns of the pressure that it will apply to the relevant Western technology players through its National
Competition Commission (NDRC), so that they agree to collaborate on its project of appropriation and development of high technology. This plan is systematized in various actions, among which stands out the modality of technology transfer; the pressure to negotiate low prices for the purchase of technology; the demand for qualified foreign human resources, and the manufacture of high technology in China with Chinese partners, among others.49

Within this last great debate regarding the fact that China will not be able to access the high technology levels held mainly by the Western countries, as the last stronghold of their economic hegemony (without counting the military aspect), it is worth highlighting that this strategy, far from being a future project, is already part of a current public policy that has been generating concrete results in the ambitious Chinese path toward knowledge services.

As an example of this strategy, it is worth mentioning cases such as Qualcomm, which is a North American company and a world leader in the manufacture of chips and semiconductors. First, it was accused by China of dumping and fined one trillion dollars through the N.D.R.C. Then, China negotiated with it and motivated it to lower its prices and to manufacture in the southeastern region of the country, in marginal economic areas. Similarly, regarding the same company, Qualcomm, China has motivated it to transfer technology and manufacture jointly with local companies such as Huawei, Tencent, etc. China also motivated the company Hewlett Packard (H.P.) to train Chinese companies and transfer technology; as with I.B.M to manufacture mainframe equipment in the country; as with INTEL, to manufacture high-end mobile chips; as with Google, to perform search

49 In the following link, the text of the Made in China 2025 Plan can be seen, available only in Chinese: Made in China 2025, available in: https://wenku.baidu.com/view/5a9de25384254b35effd3410.html.

censorship; as with Apple to remove unauthorized Apps, as well as the installation of four research and development centers in various parts of the country, etc. All of this in the face of, “intelligent”, use (dixit China) and not illegal force from the power of the Chinese market.

According to the same 2025 plan, the strategy will seek to strengthen 10 strategic technological sectors, namely: electrical equipment, agricultural machinery, new materials, new energy vehicles, numerical and robotic control tools, information technology, aerospace equipment, railway equipment, maritime research and high-technology boats and medical equipment.50

Despite the importance of these projects and their technological sectors, there is really nothing new in this strategy. China has done it since 1979, when it approved the Equity Joint Ventures Law to negotiate with the first economic actors of the moment. In exchange for their investment in China, it motivated them to transfer technology and in many other cases to the acceptance of 51% of Asian shareholding, as is the case of some Western assemblers. This practice was born during the first Chinese opening, when the West was a giant. At that time, China had no financial resources or technology, and on the contrary, as Jiang Zemin stated at the time, his greatest concern was to provide food three times a day to the nearly 900 million people who at that time comprised its population. Furthermore, there is nothing new regarding the Western approach; since then and until now, its position has been to accept this type of negotiation terms. The same happened with regard to automobile factories and auto parts during the eighties, as is now happening with high-technology products or services.

50 The Asian market currently has technology-stock fever. Mirabaud Asia Ltd. points out “Anything that is Asian and technological seems to be a pretty powerful formula”. The shares of technology companies traded in the Asia Stock Exchange (OPI) have increased by an average of 141% during 2017, against 25% for initial public offerings in the USA, and 13% in Europe (Reforma, November, 2017).
In light of this, and the repeated debate on whether this time the intelligence and Chinese backwardness will not be able to ascend to the exclusive world of High-Quality Products Service, as was said at the time about the automotive industry, aeronautics, or others, the question would be, “Why can’t it be achieved?” if the essential parts of its strategy remain the same. And in this case, as in the last four decades, while China addresses development as a State strategy, a long-term geopolitical positioning, for Western companies, as in 1979, their contact with China is no more than a new market action, of business, through which they seek to satisfy the appetite of their shareholders. They do not care that in the end, when each one of these sectors has appropriated the technology and has reached the 70% of national content, they will suffer the decline of their level of sales in the Chinese market. At the end of this encounter of civilizations, what remains is the strength of a State project that transits through a market socialism seeking political and economic leadership, facing a Western CEO who only wants to increase the percentage on his sales to achieve a juicier annual bonus. As for the new commercial war waged by President Trump since 2018, as long as it is not articulated from an alternative of global institutionality, in coordination with the European Union, beyond the strong threats or sanctions, they will be more lively than structural limiting the strength of your results.

In 1980 the difference between China-US economic GDP was multiplied by 14. It was a pre-Chinese world and none of the developed nations took the Asian country seriously nor with the proper strategy. During the nineties, the same thing happened, and although China was already growing at an annual average of 10%, the West, in the face of the fall of the Berlin Wall and the dissolution of the Soviet Union (1991), occupied by the story’s end, still naively conditioning China’s access to the World Trade Organization. In 2001, at the signing of the Protocol of Accession to the WTO, and after 20 years of
uninterrupted 10% average Asian increases, the West started to notice that Asia existed and that China was rising alarmingly.

Despite this, the reaction is the same, lethargic and insufficient. It is immersed in the complicity of precarization, which has become more focused and sophisticated. As an example of the above, the cheap labor is no longer in the Pacific, but in the middle or western China. Or the state supports provided by the Chinese government, like the case of the special economic zones of the eighties, now through the Free-Trade zones created in 2013; or, by means of the special support for the technology companies such as Qualcomm, to which it has provided tax and infrastructure support at no cost; subsidies and credits for new technology plants, just as it did for the motorcycle and vehicle factories in the early 1980s.

Just 40 years have passed from 1978 to 2019, but in historical and geopolitical terms, China, the civilization of yesterday, rises with the most credible geopolitical project of the 21st century, facing a European West that continues to seek the lost path, in a framework of political occurrences and low economic growth. The United States, in its most unfortunate political version, not only lives the loss of direction, but suffers a process of marked regression in light of the leadership of a president who has amply demonstrated his global ignorance.

All this operates directly in favor of the concept of an inevitable\(^1\) Chinese hegemony and a gradual Western weakening

\(^{51}\) Certainly, the Chinese retirees show up as its inflated debt, its long-lived population by 2050, its inequality, the terms of its westernization and its ecological challenges, among others. However, the successful inertia of its future, both political and economic, are two engines that will hardly suffer a setback in the short-term. The 19th Congress of the Communist Party of China (CPC) held in October 2017, was a sign of consolidation of what was achieved and of strategic power for what remains to be achieved. Paradoxically, from the same Congress may emerge the first spark of instability of China against China. President Xi Jinping, in an overflow of power, throughout the Congress open the door of an infinite re-election that breaks with the political orthodoxy imposed by the creator of the Chinese miracle, Deng Xiaoping.
in which, in a best-case scenario, as Zhang Jun, Director of the Department of International Economic Affairs at the Ministry of Foreign Affairs of China, said China did not take a step forward, but the US, and we could add Europe as well, have taken a step back.

The relationship between the United States and China, given its geopolitical importance, (in the case of China always, and of the United States since the 19th century) has been an intuitive leap in the distance. In the case of the North American nation, it was transformed into concrete actions in the Asia-Pacific region (Japan 1854, Philippines 1899) until the deployment of troops in Chinese territory during the Boxer Rebellion (1899) and during the Second World War. The birth of the American hegemony within the framework of the Asian decline shaped a clear favorable outcome for the former. To date, opinions are divided. Even important authors within the field disagree on the reasons for the confrontation and its outcome. Huntington, as already reported, elaborates a comprehensive analysis that substantiates the declination of the United States with respect to China over the first half of the century. After that, Sachs points out that the new headman is China. Rifkin abounds on the American weakness with a serious analysis of its economic crisis. Hobsbawn, who for decades has been explaining in detail why Americans are no longer interested in world leadership and prefer their national tranquility, adds in a special way. Krugman says that the United States is on the verge of facing a debacle with the Great Wall and, Zakaria, in light of the strength of the numbers that show the advanced disenchantment of the American people with their institutions (1964-75%, 1979-50%, 2008-30%, 2010-19%), concludes that this time the pessimists could be right. Of course, Nye leads the opposite opinions, with that ever-deliberation of what is American, but with a not always concealed tolerance regarding China’s global intentions. Mazarr, separately, with a denial stance rather than analysis, states that the United States “cannot” renounce its role as the main sponsor of the international order.
Fukuyama, based on the experience and the failure of his analysis previous to the year 2000, where he announced the breakdown of China, indicates that it is not yet too late for the recovery of the American nation. Ghemawat and Hout, based on extensive field studies on the last battle of services between the United States and China, argue that unless Washington makes serious mistakes, there is no reason to think that the American country will lose its technological advantage.

To date, and faced with the necessity of a geopolitical reference to move toward the year 2050, an accumulated weakness of the American country prevails, before an Asian force that does not rest in its race towards geopolitical leadership.

The above, far from being an issue of morbid curiosity, is very important to the global world—to know the individual or collective lines of association that should be providing a reference to geopolitics—but also to trade and to the economic development of the time. In this regard, the American position does not help. It continues to play with the duality of speaking as the world leader and acting as a decadent developed nation. At the same time, China does not adhere to any greater insight, while it shows its overflowing interest in becoming not only the main economy, but also the new world, at the same time as it shuns any geopolitical commitment to the new world order. This double absence of the relevant actors upon the always desirable order and global peace is one of the fundamental reasons behind the lack of solution regarding the weakening of the Bretton Woods institutions, and for the re-launching of a more reasonable and inclusive project for the population that inhabits the planet today.

Clearly, the matrix of global disorder lies in the breakup of its equilibrium in the face of the decline of the United States and the sudden rise of China. This movement of hegemonic plaques, in such a short historical period, is what has caused the gap in the established order and the consequent uncertainty about its pos-
sible rearrangement, which has not yet been defined since their trends have not been exhausted.

Its major problem, perhaps, is that the commonly accepted change of rules that accompanies the breaking of the equilibrium has unprecedented conditions and does not augur an easy landing. The clash of hegemonies, unlike previous events, is not between two Western powers, but appear two cosmogonies in the arena, two economic models, and two different political models, which battle beyond GDPs or the exchange of goods. Never in the history of mankind, because of its present dimensions, has the world faced this type of confrontation between the powers of the time.

What exacerbates this confrontation is that the 21st century also does not resemble its immediate predecessors. New technological forces, the end of industrial cycles, carbonics, unsuspected populations, and threats of extinction, are particular attributes of the closing of a high scale cycle that demands the civilizational maturity of the global society, and of its possible hegemonies.

3. The Asian Inevitability (East Asia)

In his important work, *Why the West Rules—For Now* Ian Morris states, “In the short term, the guidelines established over the past suggest that the transfer of power and wealth from the West to the East is inexorable”. “The transformation of the old Eastern nucleus into a periphery of the West in the 20th century allowed the East to discover the advantages of its backwardness, and the latter of these—the incorporation of the vast and poor Chinese labor force into the global capitalist economy—is still developing”. And he closes the comment saying that, “The transfer of power and wealth from the West to the East in the 21st century is probably as inevitable as the movement in the opposite direction, from East to West, in the 19th century” (Morris, 2014, p. 700). Iglesias, on the other hand, while talking about the Latin American perspectives within these new global tendencies states that, “Nobody, on the other hand, denies the vision that the 21st cen-
tury is the century of the Pacific and looking there is fundamental” (Iglesias, Lagos, 2015, p. 67). Ferguson notes, “By persisting in the current growth rates, China’s economy could surpass that of the US in 2014 in terms of national purchasing power, and in 2020 in terms of actual dollars” —adding that— “In fact, in some respects the Asian century has already arrived” (Ferguson, 2012, p. 404).

Morris, Iglesias, Ferguson, Huntington, and Sachs, are already part of a large group of internationalists who, in one way or another, envision or accept the “Asian inevitability” in the 21st century. In the name of Asian thought, Mahbubani strongly suggests, “Few in the West have grasped all the implications of the two most salient traits of our historical period. First, we have reached the end of the era of the Western domination of the world history”. “Secondly, we will see the large-scale revival of Asian societies” (Mahbubani, 2013, p. 29).

The debate will remain open before the rush of some to flaunt hasty titles, and the rush of others to be friends with the denial of change—that of those who seek the supremacy of the dividends and of those who, in the interest of not losing them, will oppose until the end. Despite the foregoing, the accumulation of economic and political facts in favor of the Asian advancement and the Western weakening already support the theses regarding the Asian inevitability as the global force that is increasingly defining the economic and political future of the time.

The high Asian growth rates from the 50’s to date, first by Taiwan, Korea, and then Japan; in the 60’s, Singapore; China in the 70’s; and today, in general, by most of the East Asian economies that have been generating annual increases of between 5% and 6% on average, contrasts with the low increments of between 1% and .5% obtained since 2000 by most Western countries. In terms of per-capita income, while China accumulates figures above 175% (2007-2014), in the same period, as already indicated, European nations have seen their participation diminish over the last 15 years. The contribution to the world economic
growth of the developed nations, from an average of 50% during 1991-1995, has fallen sharply to 28% (2011-2015), while China and India during the same periods scaled from 16% to 40%, exceeding the Western economic effort in this area (ECLAC, 2015). Significantly, the most representative economies of the West have not been able to recover through 2015 the investment coefficients that they had before the last economic eruption of 2007-2009, showing real decreases of up to -30% by Italy, the United Kingdom with -8%, France with -5%, Germany with -3%, and The United States with -1% (ECLAC, 2017). Nor are the data good in terms of productivity.

In the best-behaved economy of the OECD, the United States, the productivity per hour worked grew by only 1.3% per year between 2005 and 2015, while it grew at 3% per year between 1995 and 2005. During the twelve months between the second quarter of 2015 and 2016, that productivity has fallen 0.4%. Labor productivity, at the end of the second quarter of 2016, totaled three consecutive quarters of decline, the longest cycle of decline since the 1970’s (Fleming, 2016). In turn, total factor productivity (TFP) grew by only 0.2% in 2015, while the same variable showed an annual expansion of 1.1% in the two decades before the crisis (ECLAC, 2017).

The list of liabilities could be more exhaustive, but in geopolitical terms, Asian supremacy over the West could be summed up in Europe’s strong return (the United States since the 18th century) to the levels of population, territory, and GDP that it had 500 years ago, meeting Huntington’s prognosis of the “short parenthesis” of the Western triumph in the modern era.\(^{52}\)

\(^{52}\) Regarding its territory, in 1500 China had 10% of the world’s surface; in 2020 the West will have approximately 12%. With reference to the population during the same cycle, from 15% it would reach 25% of the world population and regarding economic power, from a rise of 40% in 1500 that reached 80% at its best moment (1913), it will reach 35% in 2020 (Ferguson, Sachs, IMF).
THE ASIAN INEVITABILITY

All this Western deterioration from the seventies to the present, in favor of the East Asia region in general and China in particular, has translated into the economic rise of these countries and the social improvement of their populations. From a study by Homi Kharas (2017) on the middle classes, the transfer of wealth from the Atlantic to the Pacific can be clearly deduced. The study tells us that from 2015 to 2022, 90% of the new middle class in the world will be generated in the Asia-Pacific region, which will be distributed with 350 million people benefited in China, 280 million in India, and 210 million in the rest of East Asia; and by 2030, two-thirds of the world middle class will correspond to the Asia-Pacific region. In exchange, from 2015 to 2030 the percentages of middle class participation in the United States will go from 11% to 7%, and Europe will also decrease from 24% to 14%.
While the data of the last few decades speak of the success of the Asian economic model with regard to the West, its strategies for geopolitical positioning ratify this trend.

As an example of the above, the United States and Europe, as already stated, have not been able to build an agenda with China or the Asian region. They remain absorbed in the complicit association for the precarization of the human resources of the region. They have not been able to discern a proposal that changes the matrix of things, as one that is the main sources of the distributive inequality and general disenchantment of the time and is supporting through the enrichment of its cosmopolitan elites the drainage of resources to Asia through its bulky trade deficits. This Western paralysis, which directly results in the failure of its economic development and future projects, has led the European Union towards a threat of dismantling, which puts at risk that which has been achieved to date. In the United States the scenario is not better. In regard to the economic, the fall of the standard
of living of its population during recent decades\textsuperscript{53} has generated an irritation that resulted, in the political, with the election of a controversial president, who lacks the appropriate attributes to build agreements for a new development project not only for the United States, but for its region and the world at large.

In terms of integration, the West is going backwards. In the case of the European Union, the France-Germany pair has shown its incompetence to re-launch the region’s project, which, in the face of its economic erosion, is prey for a political disagreement that hinders its route to the future. The departure of England from the Union, the fifth world power, has been an upheaval to the integration project that is far from being solved, and that, on the contrary, has been a source of motivation to open new secession concerns as are the cases in Belgium, Scotland, Catalonia, Italy, etc. Its opposition to finalizing the Transatlantic Treaty of Trade and Investment (TTIP) with the United States, is far from being a posture that promotes the best development alternatives towards the future, but rather, is like the Brexit and the Catalanian problem, a return to the past in an attempt to escape a reality that it does not like, but cannot manage to resolve. In the case of the United States the attitude is not better. Their middle classes, prisoners of their own dissatisfaction that results from the loss of purchasing power and economic level, flee to

\tiny
\textsuperscript{53} It should not come as a surprise that the sharp rise of inequalities has destroyed the popular confidence in the competition and probity of the economic, business, and political elites (Wolf, 2016). As has already been mentioned, these are trends that have been coming for a few decades and have been exacerbated by the financial crisis. For example, the average income of the lower 90\% of American households remains stagnant since the early 1980’s. In real terms, the income of the average household in 2013 was 8\% lower than that of 2007 and almost 9\% lower than the maximum reached in 1999. The average income among full-time workers is actually lower in real terms (inflation-adjusted) than that of 42 years ago, and in the lowest part of that income distribution, real wages resemble those that were held 60 years ago (Stiglitz, 2016). So, in the last 35 years, while real wages declined by approximately 6\% for the lower 10\% of the distribution pyramid, and grew by just 5/6\% for the average worker, they jumped by more than 150\% for the highest 1\% (Tyson, 2015), (ECLAC, 2017, p. 17).
populist regions that offer them false solutions, engaging superficial political actors who do not know how to identify successful solutions for a new profitable development. The cancellation of the Trans-Pacific Partnership Agreement (TPP) by President Trump in January 2017 was a clear sign of an American political generation that does not understand the globalization flows of the 21st century. Similarly, his opposition to the TTIP, just like the Europeans, and his systematic attack on the North American Free Trade Agreement (NAFTA), which practically serves its best part to the interests of the United States, is another example of the lack of clarity in the analysis about the nature of the global problems that he faces and his inability to rethink them towards a 2050 goal. Significantly, both the US and Europe continue to evade the central cause of their economic decline and the loss of their leadership, which is China, along with East Asia. The United States, as an example of the foregoing, from 2000 to 2015 lost about 4 trillion dollars with China. The European Union for its part, from 2012 to 2016 has registered a trade deficit with the Asian country of about 700 billion dollars (Comtrade, 2017).

Stephen Bannon, as part of his departure from the presidential cabinet (August 2017), gave an unorthodox explanation on this lack of action by the United States with regard to China. First, he recognized that the American nation is at *economic war* with China, predicting even that it was at risk of losing it in five or ten years, if it did not act. He also spoke of the fear that the White House officials have about China (*they are wetting themselves*), considering it as the reason why the United States has not been more effective (Reforma, August, 2017).

China for its part, with a disguised smile and having discovered that the West is the West’s worst enemy, with a sensibility that its leaders have not lost since its first geopolitical and economic opening in the late seventies, makes a new historic decision in 2013 and announces a *second grand opening*. The first Chinese opening, as we know, was its inclusion into the global process of the era, oriented toward the Pacific,
which offered them the greatest chance of success (1978). This time, an already empowered China (second-largest economy in the world, first in exports and manufacturing) no longer joins a global process led by the West, but it is taking the banner of globalization. It invites 70 countries representing 70% of the world population (10 ASEAN countries, 7 from South Asia, 9 from Central Asia, 2 from Northeast Asia, 21 from Central Asia and Eastern Europe, 2 from Africa, Australia, and 15 from Asia Minor), 55% of the global GDP and 70% of the global oil and gas resources, to a new partnership project that from the start breaks with the paradigm of trade as the central theme of the association, scaling the proposal to a vision that privileges, along with the commercial component, science, technology, infrastructure, finance, education, ecology, and a topic of social sensitivity called “people to people”, which addresses the social issues of their members.

While the United States offends the world in general, and its neighbors, in particular, breaking with its main regional and geopolitical partners by cancelling its global positioning strategies (TPP and NAFTA), China, with greater sensitivity for identifying the time in which it lives, takes the leadership of globalization, and in the framework of a second opening toward the exterior, launches an offer to most of the world to work together in search of an inclusive development with characteristics more appropriate to the 21st century. The result of this proposal, which is of course a strategic line of power to consolidate the Chinese and Asian leadership of the century, still needs to show its legitimacy in the years to come. China, through 55 billion dollars, is already advancing with concrete development projects in Kenya (electric railway), Pakistan (power plants, ports), Greece (Piraeus Port, Athens-Budapest-Belgrade high-speed railway to cover the silk railway route) etc., within the framework of the One Belt One Road Initiative (one integration-one path) also known as the New Silk Road. Together with the above, China founded the financial arm of this program in 2015. The Asian Infrastructure Invest-
ment Bank, where India appears as the second partner, began its operations successfully with a capital of 100 billion dollars. In a relevant manner, despite the opposition of the United States that refused to participate in it, the incorporation of Western countries like Canada, France, England, Germany, etc. in frank support to the viability of the project and the leadership of China stands out.

Together with the One Belt One Road initiative China offers a broad global partnership, in a geopolitical impulse without embarrassment, where the BRICS scheme (2009) integrated by Brazil, Russia, India, China, and South Africa continues to play a strategic position in its international policy. Significantly, the 16+1 Initiative (2012), composed of 16 nations of East Asia plus China, is also running successfully. It is one of the first antecedents of the One Belt One Road scheme. To this, we will have to add the Shanghai Cooperation Organization (1996) which was expanded to eight members (China, India, Kazakhstan, Kyrgyzstan, Pakistan, Russia, Tajikistan, Uzbekistan). These, overall, were the geopolitical precursors of the second Chinese opening. Notwithstanding the foregoing, it continues with an intense activity in other relevant schemes such as its formal integration with the 10 Southeast Asian Nations (ASEAN+1), (ASEAN+3), (ASEAN+6 or RCEP), as well as with the 21 APEC countries, or the multiple Free Trade Agreements that it continues to sign with different countries around the world such as Chile, Peru, Costa Rica, New Zealand, Singapore, Pakistan, among others.

As can be derived from this brief analysis, the Western geopolitical inertias, especially those corresponding to the United States, suffer from an absence or a misguided interpretation of the future. The Asian inertias and in particular, those that correspond to China, on the contrary, are building a solid framework for long-term positioning.

The result of this inevitable debate over the space of the new era leadership, whatever its definition in decades to come, far from being the beginning of a new reign, will represent the start-
ing point of a new global society that if it aspires to survival, will have to work together to solve the new global vectors that, as already stated, threaten its future.

F. REFERENCES


CEPAL (2016). *Las tendencias mundiales y el futuro de América latina*.


MAHBUBANI, Kishore (2013). *El nuevo hemisferio asiático*. Siglo XXI.


MORRIS, Ian (2014). ¿Por qué manda Occidente …por ahora? Ático de los libros.


