

## **By Andrew Mok**

To bash or to hug China has often been the debate in Western policy circles, but Stefan Halper's *The Beijing Consensus: How China will Dominate the 21st Century* will make for thought-provoking reading for both panda huggers and bashers. This readable 252-page account immediately gets down to business by dispelling some myths. First, there is a convincing exposition on China's military build-up, which seems more focused on denying the US primacy in China's immediate periphery rather than challenging the US global presence. Then, Halper argues that the economic "threat," like China's vast reserves of US debt securities, actually increases inter-dependence and makes China as vulnerable as the US. However, readers who hold high hopes that China will inevitably adopt Western liberal values are warned against such fantasies.

Yet, middling compromise between two extremes it is not. Rather, Halper makes a bold case that China's rise presents a subtler, "ideational" threat to the West. It undermines the appeal of an international order governed by liberal norms like good governance, human rights, and democracy. All this comes in the context of a "global shift" away from North America and Europe, made more noticeable by how well China has weathered the latest financial crisis. Having experienced the failure of the "one-size-fits-all" Washington Consensus model of liberalized markets and minimal public sectors, developing countries are looking elsewhere.

China provides a foreign aid "exit option" for countries like Chad, Sudan and Zimbabwe, who chafe at Western conditionalities demanding improvement in governance and transparency. In return, Beijing receives support on key issues like Taiwan. But it's more than money and buildings: China's model for growth, "the power of the market plus the stability of authoritarian rule" has a strong appeal, as does the state-directed nature of its economic activities.

Furthermore, liberals should beware the "myth of inevitability" that China will become a "responsible stakeholder" playing by Western norms. Halper argues that in order to maintain economic growth and by extension the Communist Party's political legitimacy, Chinese leaders must cozy up to unsavoury regimes like Zimbabwe and Sudan to have competitive access to raw materials. China "hasn't deliberately set out to diminish the power of the Western bloc or the appeal of its brand." Nevertheless, its record and proactive engagement with developing countries offers an alternative international system and model for development with no place for Western liberal values.

Halper urges US leaders to rebuild America's "soft power" and the appeal of its moral values and ideas, damaged recently by short-sighted over-emphasis on security and missteps in Iraq. To encourage others to play by the rules, it must work through leading broad multi-lateral coalitions that respect international norms. The West can also use China's fear of negative international public opinion to pressure China into playing by the rules.

The Beijing Consensus is a warning bell against complacency for those who believe in the uncontested universal relevance of liberal norms. Halper demonstrates that there's a very real alternative for China, and those developing countries that have not benefited from the Washington Consensus prescription of electoral democracy and free markets. He argues persuasively that China's foreign policy reflects a fundamentally different view about the value of championing good governance and human rights as internationally accepted norms. Something is up when China uses the mantle of state sovereignty and refuses to interfere with regimes committing egregious human rights violations deplored in various international agreements. The Beijing Consensus makes a strong case that the international system is shifting, and certainly not towards a liberal New World Order.

However, Beijing Consensus as a distinct and attractive alternative to the development policies of the Washington Consensus is less apparent. After all, how distinctly Chinese is the notion of state-directed capitalism? Of course, the prevailing wisdom in the West today is that the state has a minimal role in directing economic growth. Yet, as the book mentions, there was also the East Asian model of state-directed capitalism in places like Korea and Singapore. Most importantly, did the West really develop by adhering to the ideas and values which Halper claims are threatened by the rise of China, and which he argues the West should defend?

Halper does not further explore the reliance of Western countries on state-directed and supported, even interventionist, policies, when they industrialized. England skillfully nurtured its wool-spinning sector to compete with then-dominant Dutch exports in the 1600s. American railroads were built through generous subsidies from the federal government, and its industry grew thanks to high tariff protection in the late 1800s. The birthplace of interventionist state capitalism does not seem to be Beijing.

So if Western countries took a state-directed road to get there, is it wise to continue to push for wholesale economic liberalization in developing countries? Perhaps Western governments should take a page out of, well, their own history books, and be more flexible when it comes to economic policies. It would do much to restore the credibility and "soft power" appeal of Western liberalism on more political issues like governance and human rights.

Furthermore, Beijing's notions of market development with limited political space may not be so attractive. After all, other emerging economic powerhouses like India and Brazil have relatively open political systems. Why would these countries, whose performance seems to challenge notions that developing economies need to limit their political space like China, not serve as attractive models for emulation as well?

Then there are the internal costs of China's development. Halper argues that China's domestic problems and the potential for unrest force it into the growth trap and illiberal foreign policy. Such domestic costs may turn away other developing country leaders who believe the price is not worth paying.

Crucially, many developing countries do not have the state capacity to deal with domestic unrest the way China can. Adopting Beijing's model would create insurmountable internal security problems for states without the tools of coercion and censorship at Beijing's disposal.

Sudan's central government, for instance, cannot control its rebellious, marginalized peripheral regions like China controls Tibet and Xinjiang. The risk of domestic turmoil that comes with China's growth will make leaders with less capable state apparatuses think twice before trying to emulate China.

All the same, The Beijing Consensus puts forth a fresh take on China's rise. It offers a view of the world from Beijing's window, an international system based on state sovereignty with little room for the promotion of liberal norms. A consensus among developing countries on emulating Beijing's model of growth, however, is by no means a sure thing.

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