

Challenge from China

A Short Study Trip

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Sean Yong/REUTERS

Traveling to China has become obligatory for anyone who assumes that in this century, globalization is no longer a process of the planet's Westernization or, even Americanization. China has radically changed the board on which the world's chess game is played, and therefore we need to be more familiar with its recent trajectory and predict as far as possible its future behavior.

Those of us, like myself, who are unknowledgeable about the topic, have to prepare our trip very carefully and prudently because the number of things we don't know about is so huge that if we don't do something to remedy it, we run the risk of repeating five centuries later what some call the "Columbus syndrome." This is nothing less than undertaking a long journey without knowing exactly where you're going and for

a very long time supposing that you've arrived somewhere you haven't. In short, what you need is a good short history of China—the *El Colegio de México* version is splendid¹ and a couple of other texts that can help broaden out your viewpoint.

Before starting the trip, I had the felicitous idea of slipping into my hand luggage a book called *El océano Pacífico* (The Pacific Ocean), published by the *Revista de Occidente* (Magazine of the West) in 1972, written by a remarkable man, Carlos Prieto. A vibrant book, it is sub-titled "Navegantes españoles del siglo XVI" (Spanish Seamen of the Sixteenth Century), and when it says "Spanish," it is talking about the seamen who, long before the English, French, or Americans, fully traveled the routes from Mexico and Peru throughout the immense Pacific Ocean. I am no fan of chauvinism, but it seems to me only rigorous to recognize that the feat of

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discovering the Pacific routes was a glory that must be claimed by New Spain, or, to be more direct about it, Mexico.

In his book, Prieto recalls all that century's expeditions, beginning in 1519 with Fernando de Magallanes, who got all the way to the Philippines. Eight years later, in 1527, Álvaro de Saavedra tried to cross the ocean, twice attempting to return to the Mexican coast. But he failed: the farthest he got was north of the Hawaiian archipelago. After this failure to find the return route across the Pacific, the expeditions from Mexican ports became less frequent. In 1542, Ruy López de Villalobos was lost in the Mariana Islands.

The glory of discovering the eastward route across the Pacific from Asia, just as important as the route discovered by Christopher Columbus, fell to the expedition of Miguel López de Legazpi and Andrés de Urdaneta in 1564. Urdaneta is buried anonymously in an unmarked grave in one of Mexico City's historic downtown buildings, forgotten both the man and his accomplishment. After Urdaneta came the

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Peruvian expeditions that would leave and return to Callao, like those of Álvaro de Mendaña, Pedro Fernández de Quirós, and Luis Váez de Torres.

In the sixteenth century, Mexico was in close contact with the Orient. Mexico's "strong pesos" were the currency most commonly used in trading,² and the Chinese Nao, the three- or four-masted sailing ship that went back and forth to Asia, covered the most important trade routes for several centuries. Mexico was key to the world's awareness of its own shape.

In his book about sixteenth-century navigators, Carlos Prieto assumes that first known contacts between the Americas and the Far East occurred then. However, other theories—until now not completely proven, but frankly intriguing—suggest that contact between the two regions could be older. In 1752, the Chinese scholar, Frenchman Joseph de Guignes received a letter from a French missionary living in Beijing who stated with some certainty that a Chinese monk named Hui Shen had traveled to Mexico (or the country of

Fu Sang) in the fifth century. A large number of historians consider this improbable. The publication of this theory, however, had a big impact among specialists, who for over 200 years have been discussing the enormous parallelisms between the colors, flavors, and even the sensibilities of these two peoples.

Recently the discussion has rekindled after the publication of a book that very convincingly revives the hypothesis that the Chinese arrived to the coast of the Americas before Columbus did: *1421. The Year China Discovered the World*.³ This book by British Admiral Gavin Menzies is uneven and sparks suspicions, since it makes some very strange generalizations about pre-Columbian cultures: it suddenly situates the Mayas in Uruapan, Michoacán, or confuses them with the Cora.⁴ However, it does include maps that open up the option of seriously considering the possibility that a Chinese expedition did reach American shores. The book makes a few almost acrobatic leaps, but it is an exciting read that I'm sure any of the lovers of the mysteries of history will love, among other reasons because it shows us just how little we know about the world. But, let's get back to our day.

THE ENIGMA OF THE DRAGON

China is an economic giant, and, according to the most recent figures, it's not tiring of growth. In the last 12 months, its gross domestic product has risen almost 12 percent, and there is certain concern because it might close the year at 10 percent, and 2011 with 8 percent. With these growth rates, the latest figures show that China has positioned itself as the planet's second-largest economy, surpassing Japan. Just to mention it in passing, in addition to its being an economic success, this has enormous symbolic political significance because of the two countries' rivalry and the terrible humiliations China has suffered at the hands of the Japanese over the last two centuries.

A look at its streets, buildings, and, in general, its infrastructure sheds immediate light on why investment is flowing everywhere. I visited the Sichuan region, devastated last year by a fierce earthquake, and the vitality with which this great nation recovers from its tragedies and the pride with which it shows visitors its achievements is astounding. Its great, perfectly tended avenues show that local governments work hard to improve their cities' image and, therefore, the Chinese people's quality of life. Beijing, particularly its downtown

areas, is a clean city with tree-lined avenues and improved public transportation that significantly reduces inequalities.

China continues to be the world's great factory because of its ceaseless ability to produce cheap manufactures that have had such little-studied effects as increasing the purchasing power of the popular classes in Latin America and thus decreasing poverty indices. But, besides being the world's factory, it is now playing two more roles in the world economy: on the one hand, its growth rates have made it one of the most important driving forces behind the international economy by pushing Western companies to satisfy its emerging middle classes' enormous appetite for cars and luxury goods. Secondly, a key factor for international financial stability is that it has become the guarantor of a large part of U.S. debt, popularizing terms like "Chinamerica,"⁵ in addition to contributing to the stabilization of the euro zone after the May 2010 turbulence.⁶

These new responsibilities pose new problems. China is dealing with the challenges of being an economic power of

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the first water, and the most visible of all, the G20's big topic of discussion, is the tension arising from how it handles its currency, which some Western countries perceive as arrogant and unfair. If we look at its trade balance, its surplus is nearly US\$140 billion, something like four percent of its GDP; among other things, this explains why the yuan continues to be so highly valued.

Its growth not only creates problems and tensions in the money market, but also reactivates old fears. China's new maritime map and the geo-politics of the Indian Ocean involving both neighboring and distant countries like Vietnam, India, Japan, and the United States, recently dealt with by Robert Kaplan in two articles, are extremely relevant topics on the strategic agenda for the coming years.⁷

Politically, the problems arising from the dragon's new dimensions keep mounting. Europe and the United States, not to mention the entire community of democracies, are

juggling attempts to find a balance between criticizing and not criticizing the human rights situation in China, particularly around paradigmatic cases like that of Lui Xiaobo, and protecting their economic interests. The November 2010 visit of China's leader to France, while Barack Obama was visiting India, focused on the signing of contracts worth millions with the aeronautics firm Airbus and the development of new nuclear plants, despite public protests that demanded the Sarkozy government take a firm stand on the imprisonment of the Nobel Prize-winning activist.

The other area China is criticized about abroad is the environment. The Chinese do not deny there are problems; but their room for maneuver both domestically and internationally seems limited. The country's enormous coal consumption and visible contamination of rivers and cities are a serious challenge to domestic governability. The population may be as patient as can be, but the deterioration of living conditions could unleash a wave of rather significant discontent. Internationally, the world's second-largest economy can not play the card of differentiated responsibilities for global warming very much longer, even though, of course, these differentiations are real.

China is right, but its new condition forces it to take on a more constructive role in accordance with its weight today. The G2, that is, an understanding between China and the United States to deal with the most polemical issues, was a simple out, flirted with before the Copenhagen summit based on the quest for a kind of Confucian harmony between the two to resolve all post-Kyoto issues on the agenda. Today, it is no more than a memory.

DOMESTIC CHALLENGES

Dizzying economic growth has another face that is often not clearly perceived when viewed from outside: the growing inequality the market economy creates in a communist society that proclaims equality as a fundamental premise.

Let's look at some figures. For example, the Chinese regime has to deal with income distribution that has noticeably worsened in recent years, with a growing gap between rich and poor. The famous Gini coefficient measures inequality in a society on a scale of 0 to 1. On this scale, 0 represents a perfect distribution of wealth; that is, if there are 10 loaves of bread and 10 people, every person has a loaf of bread; the number 1 on the scale, on the other hand, means that one person eats all 10 loaves.

When Deng Xiaoping began opening China to the world in 1979, the coefficient was .35, but by 2009, it had risen to .47—leaving it still quite far from that champion of inequality, Brazil, with .57, for example. The inequality in China is explained by the dual strategy of first opening up the coastal areas and leaving behind the country's interior. But it is also explained by the fact that some very dynamic sectors of the economy generate many opportunities, while others are still traditional.

The dragon's big challenge is to not fall into what has been called the "Latin American trap," in which certain cities progress while the countryside lags behind. China's authorities say that it must avoid this inequality, and that it has managed it by having a centralized political system that has advantages in decision-making and imposing those decisions, but that hides weakness that I am really unable to estimate. Will younger generations with access to the universities ask for a more open political system? The big issue is knowing whether, with an undemocratic political system, equilibrium can be maintained that would be unthinkable in Western societies with certain economic openness.

A member of the State Information Council told me that, for them, democracy is fine as a form of government, but that if democracy and public participation bring with them disorder and obstacles for a better functioning economy, they prefer something else. It's a matter of approach. Of course, every country sets its own priorities and the Chinese are very optimistic about their nation's future. We'll see.

The Asian giant's media and communications performance promises to be one of the most serious areas of conflict. The media system is impressive: they have dozens of information channels in several languages, and in Latin America we can see several of them on CCTV 2.⁸ They also have a wide variety of entertainment channels, and some with other content. The print media in Chinese is difficult to evaluate for someone who does not read Mandarin, but the *China Daily* is a well laid-out newspaper, printed on good quality paper, and is an interesting reflection of how China sees the world.

I cannot give a precise opinion about the content of radio broadcasts, but the medium continues to be very much alive. It is in internet service where China faces great paradoxes. For example, it has banned Twitter, and there is great fear of opening up channels of expression for people because what has the upper hand is the "official" truth, something I do not know how much longer can continue to be controlled.

Those profoundly atavistic ideas that the media must be an appendix of the government, that they must applaud everything it does and silence scandals are still very deeply rooted. The reason is that the media depend economically on the government; they are not at the service of the people; and Chinese journalists and editors have trouble thinking about making that change.

EXPO SHANGHAI AND THE MESSAGE TO THE WORLD

To build a new image as a power, the Chinese organized the Olympic Games in 2008, and in 2010, they hosted the World Exposition in the vibrant city of Shanghai. They say in Shanghai that if Xian, the city of the famous terracotta warriors, is the showcase for two millennia of Chinese history, and Beijing is the political capital that has witnessed China's decay and resurgence in the last 500 years, definitely, Shanghai is the city that best explains the new China. And with the

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Expo Shanghai, the city has opened up to the world in a spectacular way.

The central message of this huge event is China presenting itself to the world as a country that has decided to grow, putting on its best face, so it can stop being seen as a threat and be recognized as an economic, technological, and commercial power.

We should remember that words take on meaning when they refer to a context and they are de-codified from a particular rationality. In this sense, I haven't the slightest doubt that whoever coined the term "emerging countries" had China in mind, because if the adjective "emerging" replaces "underdeveloped" when talking about certain countries, I think it expresses the situation of the Asian giant better.

The label "underdeveloped" fits countries like those in Latin America and a large part of Africa, since it refers to a long, complex chain of social, economic, and cultural factors

invariably topped by the absence of rationality in public decision-making. This description fits these countries like a tailor-made suit. China, by contrast, is a country that is emerging forcefully, as expressed in its dazzling economic growth rate. However, there are still unsolved puzzles about this emergence process, some of which have barely been sketched in this article.

China will change helmsmen very soon; President Hu will leave the post to Xi Jinping, who will be responsible for setting the rhythms and scope of the reforms that will allow the Asian colossus to maintain its complicated internal and external equilibriums. ■■■

NOTES

¹ Flora Botton Beja, comp., *Historia mínima de China* (Mexico City: El Colegio de México, 2010), <https://publicaciones.colmex.mx/infopub.aspx?cve=A/143>. [Editor's Note.]

² The peso (\$) is the legal currency in eight countries in the Americas, although its value is different in each. Its origin dates back to the 1497 Spanish

monetary reform, which created, among others, a coin called the "real de a ocho" or the "duro." In Mexico City in about 1535, the first equivalent of this coin was struck in silver and called initially the "strong peso," or the "real." It weighed 27 grams and was 92-percent pure silver. [Editor's Note.]

³ Gavin Menzies, *1421, The Year China Discovered the World* (London: Bantam Press, 2008).

⁴ The Cora are an ethnic group who live in the Nayarit Mountains in the eastern part of the state of Nayarit, Mexico, and in neighboring Jalisco. They call themselves the *Nayeri*. [Editor's Note.]

⁵ Niall Ferguson uses this term widely in *The Ascent of Money: A Financial History of the World* (New York: Penguin Press, 2008).

⁶ See <http://www.america.gov/st/business-english/2010/May/20100514162544saikceinawz0.2122614.html>. [Editor's Note.]

⁷ Both articles appeared in *Foreign Affairs*: "Center Stage for the 21st Century" (March-April 2009), and "China's Grand Map" (May 2010).

⁸ CCTV-2 is the CCTV (China Central Television) economic channel. CCTV is the People's Republic of China's biggest television network, with its own government vice-ministry. Its content is generally thought to reflect the Communist Party of China line. It was born in 1958 under the name Beijing Television, which changed to CCTV in 1978. [Editor's Note.]