



## China Model as the End of History

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There is a prevailing myth that American social science is "free" and functions like a "free market." The reality, however, is different. There is an ideological mainstream which you need to follow or at least not challenge openly. It is true that you could write anything you want; no one will place you in a GULAG of Soviet, Red China, or North Korea fashion. Yet, no respectful publisher will publish your work, and your chance to make a great academic career—or any academic career—would be minimal. These factors often lead to intellectual uniformity in approaching certain subjects. This is, for example, the case in the vision of Red China. For generations, it has been expected that China either would follow economic and political liberalization or collapse. Chinese economic rise has been attributed to market reforms. The story, however, is different. China's success is due to a centralized socialist economy. Its roots are not much in imported Marxism but in an indigenous tradition of Oriental despotism. China could well experience increasing economic problems in the future. Still, the state may not necessarily liberalize economic and social life. It could well move in the opposite direction and increase its control over the economy and society.

**Keywords** China, Economy, Oriental Despotism, Development.

### I. Introduction

History is destined to be rewritten. It is not because the historical narrative is "constructed" depending on political evolution. The reason is deeper. The point is that each historical-philosophical theory has several dimensions. On one hand, it strives to present reality as it is, or as "it was," to use Leopold Ranke's expression; on the other hand, it is often pregnant with a political program, and in this context, the narrative not only tells us what was or is, but also what shall be, i.e., how the reality should be remodeled and what building blocks in the present could be used to build this new world. All of this inevitably distorts the picture, or presents a particular aspect of the narrative. Besides these limitations, there are of course many others. One is the well-known fact that narrative is shaped by the political victors, actually any victors. It should not be taken literally. It does not necessarily mean that victorious leaders or groups are commanded

to write history or present reality according to their own template, albeit it has often happened. In totalitarian societies, the state commands a certain narrative. In the “free” West, this role is played by the market, “peer reviews,” etc. Those who oppose these dictums are not shot or sent to re-education camps. Still, their works are either not published by respected presses, or, if published, are simply ignored. This has implications for the professional career of the author. Still, distortion or configuration of the narrative is not always caused by the direct or subtle intervention of society. The change of configuration of the past is often spontaneous and deeply internalized because of the influence of success or failure, especially political success, and what is almost instinctively perceived as the “end of history,” at least at a given moment. The power of success, political or economic domination, induces historians and politicians to configure the past. In this process, they assemble data and ignore those facts which they regard as marginal or irrelevant, and prevent the focus of the narrative on what is most important. The current rise of China has led to a new configuration of global history. Instead of “Western civilization,” centered around the rise of the West, in the possibly not-so-distant future, the narrative will be shaped in a different direction, and “Western civilization” will be paralleled with “Asian civilization.” This notion of an Asian-centered present and consequently a past, which traces the present, is hardly a new idea. It is usually integrated into the notion of spreading globalization, which implies that instead of one Western superpower—the USA—the globe would be controlled by many powers; each of them, however, would be a particular American “clone”—a democratic capitalist state. Fareed Zakaria, the popular TV commentator and journalist, has observed that totalitarian China will either decline, collapse, or, if it survives, would be culturally and politically isolated. The point here is that totalitarian arrangements could fit only China’s peculiar culture and possibly other Asian countries. It is absolutely unacceptable in the West. It is deeply integrated into China’s history and has no Western roots. The point of the proposal’s narrative is quite different. First, it aims to show that China’s totalitarian model is quite viable and more competitive, from an economic and social point of view, than those which dominate the present-day West. Secondly, totalitarian arrangements are not a particularly Chinese phenomenon, and not just a historical aberration. It could have global appeal and lead to the “end of history,” which would more resemble present-day China than the present-day USA.

To understand China's totalitarian phenomenon, its unwillingness to democratize or even, under its new leaders, to move in the opposite direction, one must place it in a broad context. From this perspective, one should examine the major historico-philosophical paradigm of the last 25 to 30 years, which informs the narrative of most American and European historians. The latter, in the vast majority, follow the American lead. (Of course, I simplify the picture here; still, I need to do this for better focus.)

## **II. Fukuyamism as Leading Framework of American Social Thought**

The central and most important framework here is broad “Fukuyamism,” or more precisely, the theory elaborated by Francis Fukuyama, an American political scientist and philosopher of Japanese descent, who published an article on the “end of history” in 1989. The gist of the article was the notion that history demonstrates clearly that Western democracy, especially in its American variation, and related market capitalism, is the natural outcome of the historical process, and no other option is viable. The article and later book, in which Fukuyama elaborated on this notion, made him famous overnight and launched his spectacular academic career. One could, of course, explain that by circumstances, Fukuyama provided the intellectual commodity badly needed by the “market,” e.g., by Western, especially American, elites. It needs the confirmation that what happened in the USSR and Eastern Europe was not the result of Gorbachev’s blunder but the legitimate result of an “ironclad law” of history. And here, Fukuyama and his numerous supporters, curiously enough, followed the Soviet ideologists who professed their own version of the “end of history,” that is, the inevitable victory of communism all over the globe. Still, in the case of Fukuyama, the essay’s success was caused by the events on the ground.

Indeed, the late 1980s were marked by dramatic events with worldwide repercussions. The East Europeans shook off the socialist system and Soviet rule. As a matter of fact, for many of them, Soviet rule—especially for Poles and Hungarians—was the Russian empire in a different form—and for them, it had been their mortal enemy for centuries. The USSR was breathing its last. One could assume that this was one of the major reasons why Fukuyama’s essay made him famous overnight. Still, his success was not just due to the immediate market demand, which transformed the article into the level of biblical revelation. There was a much deeper reason. The point here was that

“Fukuyamism” fit well within the centuries-old Western intellectual tradition, especially the American intellectual tradition. The idea that all roads, so to speak, lead to “liberty,” had been the mainstream of American political thought. It was shaped during the Enlightenment, when the USA had emerged as a state. And while Europe had experienced a Romantic reaction in the beginning of the 19th century, and even stronger pushes toward authoritarianism and later totalitarianism in the early 20th century, the USA still operates, in many ways, within the context of the 18th-century paradigm. Even during the Great Depression, when Roosevelt clearly took a lot from Nazi Germany and Stalinist USSR by, for example, directly engaging in the economic life of society, the official ideology still promulgated that in the USA, “freedom” had nothing to do with “despotism” in Europe and Asia. As in the past, the flourishing of “freedom” and “liberty” remained the major goal.

“In 1944, President Franklin D. Roosevelt proposed a Second Bill of Rights, which would guarantee to all Americans, as rights, ‘a useful and remunerative job,’ ‘adequate medical care,’ ‘a good education,’ and ‘a decent home.’ According to Roosevelt, these rights were based on a ‘clear realization of the fact that true individual freedom cannot exist without economic security and independence.’”<sup>1</sup>

During the Cold War, the ideological fig leaf was the same: “freedom” confronted totalitarian despotism. And the implication was clear: the totalitarian abnormality would finally end, for the people – seen here in the holistic sense as the embodiment of goodness – wanted “liberty.” From this perspective, the success of “Fukuyamism” could not be explained just by the propitious moment of delivery, the time of the collapse of the USSR, but also by the very fact that “Fukuyamism” could be placed in the context of the centuries-old American political and intellectual tradition, and faced no resistance from the national subconscious; on the contrary, the subconscious eagerly embraced it. This framework explains the entire global history, from the time of Oriental despots of the ancient Middle East to Greece and Rome, and throughout the Renaissance and Enlightenment to the present. At each stage, humans became more and more free. And the masses implicitly increased their participation in their own government, until they became fully

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<sup>1</sup> Keeanga-Yamahtta Taylor, “Cancel the rent,” *The New Yorker*, 12 May 2020; [https://www.newyorker.com/news/our-columnists/cancel-the-rent?utm\\_source=ultralinks&utm\\_medium=referral](https://www.newyorker.com/news/our-columnists/cancel-the-rent?utm_source=ultralinks&utm_medium=referral)..., 12 May 2020.

self-governed. This vision of history as the triumphal and unstoppable drive to freedom was certainly not just a purely American phenomenon, and has a long and honored European pedigree. It was not just the proponents of the Enlightenment who professed “liberty” as the final goal of humanity; the same idea had been widespread in Europe, where the rather simplistic idea of the 18<sup>th</sup> century acquired a more complicated and convoluted form. Fukuyama himself clearly borrowed from Hegel and some of Hegel’s philosophy interpreters, such as Alexandre Koj’eve. The notion that global history is the march from “despotism,” whatever the term could mean in different contexts, to “liberty,” was not just the battle cry of liberals, but even of radicals. In Marxism, “oppression” and “despotism” of bourgeois society lorded over the hapless proletariat. The goal of the socialist revolution is clear: the oppressive yoke of capitalism must be replaced by the freedom of a socialist society: “freedom,” thus, became the hallmark of true socialism, “unfreedom” was the attribute of all societies which preceded the socialist future. For Bolsheviks, in fact for a broad swath of Russian radicals, the striving for true liberty, liberty for the majority, was sped up with the eruption of the French Revolution. For Trotsky, for example, “The French Revolution, in other words, was not just an early analogue of the Bolshevik Revolution, but part of a large unfolding of history in which the second revolution was an indication of how far humanity had progressed since the first one...”<sup>2</sup>

In the Bolshevik narrative, the Bolshevik Revolution brought more “liberty” to the masses than the preceding bourgeois regime of the Provisional Government, regardless of the fact that not only had the regime become dictatorial and terrorist almost from the start, but also that the workers and peasants were the regime’s major target. It was not due to their duplicity, but plainly because they, following the European, or Western in a broader sense, political tradition could not have visualized any full-fledged revolution, and the progress of humanity writ large, outside of conventional, centuries-old European context; they could not see any progress without “liberty.” From this perspective, Bolsheviks were particular “Fukuyamians” without, of course,

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<sup>2</sup> Jay Bergman, *The French Revolution Tradition in Russian and Soviet Politics, Political Thought, and Culture*, Oxford University Press, 2020, p. 194.

realizing it.

In the context of all these paradigms, “Fukuyamism” was seen not as an exception but actually a logical outcome of centuries-long deliberation. The victory of “liberty” was not just imminent, at least in the long run, but also brought more happiness to the people. It is seen as axiomatic that “free” is happier than “unfree,” and slaves’ desire for liberty is also implicitly the desire to be “happy.” The desire of some slaves to be slaves is seen here as an aberration. Finally, in this context, liberation was implicitly connected with economic advancement. The rise of the West as the global technological and economic center was also explicitly connected with the advent of the free man of the Renaissance. The notion that “liberty” and the related market economy was the road to technological and economical progress was shared by intellectuals of all political stripes. This was, for example, the case with Karl Marx. And while Marx believed that capitalism and comparative “liberty” of bourgeois Europe ensured the West’s technological and economic domination, the ossified despotism of the Orient made it technologically and economically weak, and an easy target for the European war machine, and this explains, in Marx’s view and definitely not just his view, why tiny Britain defeated the huge Oriental empires, e.g China, and created a huge colonial empire in Asia. The direct connection between economic and technological power and political liberties and market economy were also implicit ingredients of “Fukuyamism” and was well telescoped in the distant past. Victor Hanson, the well-known conservative historian of antiquity, could here be an example. In his books, he demonstrated how “free” people of Greece and Rome vanquished the effeminate and actually dysfunctional Oriental despots. The sense that “liberty” and “democracy” are related with happiness, social mobility, economic, technological and military advances, while despotism, coercion and terror with failure on all fronts led to a confusing, or plainly ridiculous explanation of the events of recent history. The case with Stalinist Russia/USSR could be a good example. “Revisionists,” Western historians who dominated the study of the regime in the 1970s and early 1980s, pointed to Stalinist USSR’s social mobility, rapid economic advances, spread of literacy and medical services as the result of the democratic nature of the

regime. They dismissed the stories about coercion and mass terror as malicious lies of “reactionaries.” Those who opposed them saw the Soviet regime as the rule of brutal utopianists, or out-and-out institutionalized criminals who wasted lives by the millions just to maintain their power over a helpless country. For them, the regime had no other output or “achievements” besides millions of corpses. The notion that the regime could achieve a lot, not despite but because of coercive power was out of the question for both the Left and the Right.

Thus, “Fukuyamism” was very successful, and shaped the visions, not just because its arrival coincided with the collapse of the USSR, not even because the USA had emerged as a superpower, but also because “Fukuyamism” fit well into the long and time-honored intellectual pedigree on both sides of the Atlantic. It was one of the most important intellectual trends in European thought. And this framework worked for quite a few narratives in the present. “Fukuyamism” has been the prevailing creed, but it was not the only one. Another was the vision of world history as the history of different civilizations, albeit in the American interpretation, this intellectual trend was also finally integrated into “Fukuyamism.”

### **III. Global History as Clash of Civilizations**

The idea that global history is the context of different civilizations, pretty much closed off to each other. This model has been quite popular in Europe since the beginning of the 19<sup>th</sup> century Romantic reaction. It became even more popular in Europe by the end of the 19<sup>th</sup> century and beginning of the 20<sup>th</sup> century. Such prominent philosophers of history as Oswald Spengler, Arnold Toynbee and Nikolai Danilevsky could be good examples here. This vision of history strongly opposed the prevailing “Fukuyamism,” and therefore has not been very popular in the USA. Still, with the advent of WWII and especially the Cold War, the idea has slowly penetrated American intellectual discourse. In the context of this approach, Germans became Nazis and Russians became Stalinists because of the countries’ prevailing traditions. Still, even here “Fukuyamism” was not discarded. It was assumed here that Nazi Germany was defeated; of course, in this narrative it was not totalitarian USSR but the democratic USA and UK which vanquished the beast. After the victory,

Germany, at least part of it, changed according to democratic principles. Thus, the bad despots did not prevent a final remodeling of the German people, according to democratic principles. The same would be the case with the USSR, and Ronald Reagan swore that totalitarian communism/socialism would be vanquished, and the people of the USSR would be similar to Americans. The exuberance of the early post-Cold War, post-Soviet era, with its belief in the transformation of all of humanity along the “Fukuyamist” model disappeared soon enough. Authoritarian trends reemerged in many parts of the world. Islamism also hardly fit into the model of democratic movements, i.e., people striving for “liberty” and fighting tyrants. This required a sort of theoretical readjustment. Samuel Huntington, the late Harvard professor, resurrected and modified the old theory about different civilizations, each with its peculiar cultural genetic code. Still, even the Huntingtonian theory did not imply that the separation between civilizations would be permanent, and all civilizations are, in a way, equal. This was not the case, at least in the popular application of the theory. It was assumed that while all civilizations are equal, some civilizations are “more equal than others.” This was the case with Western capitalist democracies, with the USA as leader. It was assumed, in this context, that “superior” civilizations could impose their will on “backward” non-democratic civilizations, and bring them to the “end of history” by force. The assumption was that people, in the majority, still want freedom, and it had been the despots who prevented them from following the road leading to the “end of history.” Or, in another interpretation, the theory implied that even if they did not want liberty, it could be instilled in them. Thus, nations could be treated, in a way, as criminals. In this context, some, if not most, of them were restored to “normality,” through a combination of appropriate punishment, reeducation, treatment and incentives. The same could be done with those who rejected “liberty.” They could be changed by force and incentives. Were not authoritarian Germany and Japan, with what seemed to be entrenched “bad” cultural genetics, transformed into democratic societies?

The American military machine would accomplish this. This was the philosophy of the “neo-cons” and the guiding principle of the Bush

administration, the justification for the “war on terror,” and invasion of the Middle East. Thus, even in the case of the “clash of civilizations,” “Fukuyamism” continued to be the backbone of the narrative.

While “Fukuyamism” continued to be the dominant trend and just “updated” by Huntingtonianism, it failed to understand China, which had emerged as a truly “career criminal,” which was beyond the pale and resisted the transformation into a “normal” society. Moreover, and this has been especially puzzling for the vast majority of Western observers, the “career criminal” was not “punished” by history. Indeed, instead of decline and imminent collapse, China continued to advance economically with great speed. While quite a few Western observers assumed that China’s economic growth would stumble, some of them grudgingly assumed that China’s success is due exclusively to specifics of China’s culture and, anyway, could not be transmitted to other countries. It is clear, from their perspective, that the Chinese experience has no global appeal and, from this perspective, is quite different from the Western democratic experience. Those who see Chinese influence growing even in the West, explain this by a very simple fact: while Western, especially American, propaganda is not actually propaganda but spreading truth, and is the manifestation of benign “soft power,” China spreads nothing but sophisticated lies which are the manifestation of cancerous “sharp power.” It is not just sophistication which has led to Chinese propaganda’s success. It is also due to willing helpers in the West, those who, following the path of leftists/liberals of the past who praised the USSR, presented China in the most positive light.

#### IV. China and rejection of “law of history”

China had emerged as the force which defied, in the view of the vast majority of Western observers, the law of gravity, the ironclad law of history. It follows the totalitarian road with no intention of being more democratic or market-oriented. As a matter of fact, China reaffirmed its totalitarian nature forcefully in 1989, the year when Fukuyama published his essay. At the time, thousands of peaceful, pro-democracy demonstrators were massacred in Tiananmen Square in Beijing, and most Western observers were convinced

that the regime would either follow the road to democratization and markets, or collapse. At best, it would economically stagnate. At the same time, quite a few of the same Western observers were convinced that the USSR and later post-Soviet Russia, whose leaders affirmed their enchantment with the “end of history,” would prosper in the long run. Nothing of the sort happened. Post-Soviet Russia’s economy collapsed, and even long after, Putin’s Russian economy is just a shadow of the Soviet era’s economy.

At the same time, China continued its economic rise with unprecedented speed. Moreover, if one would remove the “service” bubble from the equation, the Chinese economy is already several times bigger than the USA’s by 2020. And while China quickly recovered from the economic crisis caused by the COVID pandemic,<sup>3</sup> the USA continued to be in deep economic crisis, and U.S. economists actually have no plan of how to turn the economy to the better. (The intellectual deadlock could be seen in the proposal to institute “negative interest rates.”)

Not only was China not following increasing democratization and marketization, but, after the arrival of Xi Jinping as paramount leader, the opposite process has taken place. Structurally, following the Stalinist template of “revolution from above,” Xi in many ways has undone, albeit not completely, the early Chinese “NEP” – the so-called New Economic Policy in Soviet Russia/USSR which allowed for limited private property and some market forces – and increased direct government involvement in the country’s economic life. In addition to these changes – and here, the Stalinist template was also clear – the regime engaged in mass purges of both corrupt and, implicitly, political rivals. This had no negative implications for China’s continuous growth, and became the economic foundation for the increasingly assertive foreign policy, the goal of which was to make China a regional and

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<sup>3</sup> John Cassidy, a contributor to *The New Yorker*, noted: “The Chinese government has been able to reopen almost all of its offices, factories, schools and stores. Most internal transport links are operating, and official statistics indicate that the overall economic output has started to expand again, after contracting at a record rate in February.” (John Cassidy, “China’s slow economic rebound from the Coronavirus points to an extended U.S. slump,” *The New Yorker*, 13 March 2020, <https://www.newyorker.com/news/ourcolumnists/chinas-slow-economic-rebound-from-the-...>, 13 March 2020.

later global superpower. This expansion was also aimed, albeit not directly, at transforming the globe along China's totalitarian model. Not only did China become economically more viable than democratic and capitalist USA, but the Chinese actually became happier than Americans, or at least most of them did not see the U.S. arrangement as better for living than the arrangements in their own country. Indeed, thousands, if not millions, of Chinese have visited the USA and other Western countries as tourists and students. One could assume that the attractions of "liberty" and high standards of living would be so strong that thousands or at least hundreds of them would have asked for political asylum every year. This was certainly the case with Soviets. Many of those who visited the West, a rare privilege for the trusted few, thought about "defection." As a matter of fact, the fear of "defection" was a major reason why Soviet authorities were quite reluctant to let Soviet citizens, even the most trusted, venture to the West, unless they traveled in small groups where they could be easily supervised and controlled by secret police or group leaders. The Chinese government does not discourage foreign travel. Actually, it encourages it, and seems not to be very concerned with the possibility of "defection." Moreover, China has become a magnet for Westerners, including Americans, in sharp contrast to the USSR and China during the Cold War era when, besides a few leftist intellectuals, no one in the West accepted either the USSR or China as true alternatives to the West. At present, the situation has become different, and Chinese propaganda in the USA has emerged as a threat. What has emerged from the narrative? First, it became increasingly clear that the Chinese totalitarian model has become more economically viable than the alternative "Fukuyamian" model: Western capitalist democracy. Secondly, this model is not just limited to China, but could well be applied to the West; it has a global appeal. As a matter of fact, it has emerged not just on the basis of China's indigenous tradition but also on the basis of Marxism, a Western creed.

Acceptance of the Chinese model as the true "end of history" implies an even more dramatic conclusion: that totalitarian systems, in this or that form, might be the omega of global history and the global historical narrative shall be retrospectively rearranged not just on the basis of a future Asia-centered

world but on the assumption that all – or at least most – roads lead to totalitarian arrangements. Still, these totalitarian arrangements should not be seen as the dreadful worlds of Aldous Huxley or George Orwell, as dystopian nightmares, but as the most productive and efficient society. Moreover, it could be the most attractive form of society for the majority of the population. The rearrangement of the historical narrative on the global scale might well be the most important rearrangement of the historical narrative of the last 400 to 500 years, when the rise of the West increasingly marginalized Asia with its tradition of Oriental despotism. One might also assume that if totalitarian expansion proceeds, the new rearrangement of the past might be in the distant future, when changes in humans as a species or possibly the replacement of humanity with something else, ecological disasters or alternatively harnessing of nature and universe in a Ray Kurzweil fashion would require a new new rearrangement of the past in the context of the new present.

## V. China Goes Against the Law of History

China's increasing geopolitical clout should not be seen outside of the country's socio-economic arrangements and to understand it, one must go back a generation ago to the late 1980s and early 1990s. At that time, the USSR and its East European empire was breathing its last, and the totalitarian state, with centralized planned economy was seen as the outmoded or even more, artificial construction, the stillborn child of an unworkable utopia.

At that time, Fukuyamism was still an absolutely unchallenged creed. The collapse of the USSR had been seen as the inevitable outcome of the unworkability of the system and it was assumed in this context that the movement from totalitarian “abnormality” to democratic, capitalist “normality” was predestined, and would bring clear benefits in the foreseeable future. Since China failed to follow the prescribed path, the country would be doomed.

China's Communist Party's brutal crushing of peaceful demonstrations in 1989 in the capital did not just lead to widespread condemnation, but to predictions that these actions signified the last shrieks of a dying totalitarian dinosaur. The surge for freedom is global and unavoidable, and there was no

other alternative; it was the assumption that made Francis Fukuyama's essay, "The End of History," later transformed into the book,<sup>4</sup> a worldwide bestseller. When the regime in China survived, the stream of Western publications had assured the readers that China's economic growth would stumble. They predicted China's ultimate collapse, degradation, stagnation, etc., and the display of China's real or imaginary problems continued to be a major subject of an endless stream of books and articles published on China in English. Exceptions were few. The vast majority of observers all regarded China's harsh authoritarianism/totalitarianism as the reason for China's problems, and inability to catch up with the West: China had failed to engage in democratization, and implicitly also failed to make its economy really "free," from what the author believed to be pervasive government control. The views on China continued to dominate Western, especially American, scholarship. All of this continued to stress that totalitarian polity and economics would lead to the country's collapse. The majority of those who admitted China's economic success rejected the idea that China has any global appeal.

## VI. Absence of Democracy as the Reason for Collapse

The very fact that no democracy was in sight had doomed the regime and the country to collapse, because the drive to liberty was unstoppable. The notion that the absence of political liberties would inevitable lead to the regime's collapse has been one of the tenets of Western, especially American, historiography on China, and the major framework for understanding history, especially recent events. For example, the collapse of the USSR is implicitly connected here with the strive for freedom. There is no freedom in present-day China. The implication is clear: the masses, driven by love of political liberty, the most natural desire of the people, would rise sooner or later and lead to collapse of the regime.

### The economic progress is not sustainable

While many authors implicitly related the regime's inevitable collapse with the

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<sup>4</sup> Francis Fukuyama, *The End of History and the Last Man*, Free Press, 1992.

masses' unwillingness to tolerate brutal repression, others question China's economic progress. They might accept the notion that China has achieved considerable economic progress. Still, in their view, it is a temporary phenomenon, or plainly a sort of phantom, statistical illusion. Some of these observers implicitly compare China to post-Soviet Russia. In both cases, property rights are not guaranteed, and the elite just take over nominally state property to enrich themselves – without any concern for the well-being of the state. Corruption is endemic and it would lead China to collapse in the not-so-distant future.

Minxin Pei could be an example here. He related the totalitarian regime with spreading corruption, which also will lead to the regime's doom. And he made this clear in his book, *China's Crony Capitalism: the Dynamics of Regime Decay* (Harvard University Press, 2016).<sup>5</sup> Indeed, "Pei devotes more attention to China's political economy. But his message is no more optimistic." In his view, Chinese economic vitality is rather a fleeting phenomenon. He acknowledged that the country has flourished for decades. Still, this prosperity produced its own "gravedigger," if one would remember Marx's expression; Marx believed that capitalism, while developed, created its own "gravedigger," its nemesis – the industrial proletariat which would bring capitalism to an end. In Pei's interpretation, this role is played by corruption.

"China, like many other countries experiencing rapid economic development, has suffered endemic corruption, even as the country has prospered. But Pei's argument is that corruption did not emerge as an unwelcome side effect of economic growth. Rather, the very form of economic change implemented since the 1980s has made corruption a central feature of the system."<sup>6</sup>

While emerging as a result of economic development, corruption would finally destroy the Chinese economy and country from within. Indeed, "*China's Crony Capitalism* provides a detailed, meticulously documented account of a system being eaten away from within."<sup>7</sup> Corruption embedded in

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<sup>5</sup> Rana Mitter, "What next for Trump and Xi?" Project Syndicate.org, 7 April 2017.

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

totalitarian systems shall inevitably lead to China's economic collapse. "Pei focuses on privatization – in particular, its implementation in the absence of a strengthened property-rights regime (in some ways, rather like Russia in the 1990s). He pulls no punches: 'the defining feature of crony capitalism,' he argues, 'is the looting of nominally state-owned assets by colluding elites.'"<sup>8</sup> The quoted author discards the notion that Chinese Party bureaucracy is a replica of old imperial mandarins, at least how these mandarins were presented in official discourse. It is not similar to present-day Western, implicitly American, bureaucrats, who are clearly separated from economic life of the society and never benefit economically from their official positions. "Instead of separating political power from property ownership, rising starts in the Chinese bureaucracy became entangled in corrupt practices early on in their careers, and ever more deeply over the years. Land sales, in particular, enabled local governments to accumulate vast sums of money, at least some of which ended up in the pockets of officials overseeing the transactions."<sup>9</sup>

The corruption is destroying the Chinese economy, which shall collapse or slow down considerably in the future. Consequently, the author of the quoted article put as one of the chapter titles "China's long march to decay?"

While quite a few, if not the majority, of Western observers saw China as moving to economic and connected social-political disaster, some acknowledged the economic success of the regime. Still, they are convinced that the Chinese example could hardly have any global appeal for two major reasons. First, the current regime is a product of a unique Chinese culture. Second, China does not have any appealing ideology. While real socialism might be attractive as an alternative to capitalism, the Chinese regime is not "socialist." It represents a deformed and brutally exploitative capitalism.

## VII. China's success was due to cultural specificity or acceptance of Western capitalism

Most Western observers saw China moving toward a major debacle,

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<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

because of failing to be democratic and developing a market economy; both of these attributes were seen as being interwoven. China's rejection of "Fukuyamism," i.e., the assumption that China, like the rest of the world, should be market-oriented and democratic – of course sans the dangerous perversion of "populism" – was seen as the major problem. Fukuyamism was the unquestioned mantra in the late 1980s and early 1990s and it was this which ensured Francis Fukuyama's meteoric academic career and worldwide fame. Still, by approximately the mid-1990s a rival theory emerged, and it increasingly started to compete with the Fukuyamian model. The late Samuel Huntington, at that time a professor at Harvard University, put forward his theory of "clash of civilizations." Huntington was hardly unique in his views, and, as already noted, he had followed the long intellectual tradition, started by thinkers of the Romantic era in the early 19<sup>th</sup> century. The Frenchman, Alexis de Tocqueville, was the most well-known among these intellectuals. Still, the major premise of this theory was developed much later by such people as Oswald Spengler, Arnold Toynbee and Nikolai Danilevsky. The major point of all of them was the notion that no common path for humanity exists, and each civilization has followed its own path. It is true that in Huntington's interpretation, civilizations do "clash." Still, in a more sanitized version, Huntingtonianism might be interpreted in the same way as the views of Spengler or Toynbee. Civilizations need not necessarily clash, and simply exist in different dimensions, so to speak. They could well co-exist. Still, their operational models are absolutely different. What is unworkable for one civilization might work well for another. Still, the models of socio-economic development could not be transmitted from one civilization to another. China's experience has no global appeal. Therefore, China would never be a global leader and just remain as has been the case throughout most of its history.

While most Western authors regard the present-day Chinese regime as the manifestation of totalitarian "abnormality," leading to its downfall, stagnation and marginalization, the country's clear success has pushed some Western observers to look at the Chinese socio-economic systems as viable. Still, in their views, China's success is deeply rooted in China's past and could not be applicable in the West. This model is quite similar to those which had

been often employed in understanding the rise of the Soviet regime. In this interpretation, Russia's totalitarian and authoritarian past is deeply rooted in the country's historical tradition. Still, there was a difference. Those Western observers who saw Russia's/the USSR's inescapable trap of its authoritarian/totalitarian legacy have seen it in a negative light; exceptions are few and have emerged comparatively recently.<sup>10</sup>

The story becomes more complicated in the case with China. Since neither the "transition" nor the "collapse" models have survived the test of time, some recent Western China observers find roots in the regime's stability and, in a way, accept its major operational model, in thousands-of-years-old Chinese traditions. And in this case, some Western observers conclude that these arrangements might work well for China. This was, for example the case with Frank Pieke, who expressed in his book *Knowing China: A Twenty-First Century Guide*, Cambridge University Press, 2016.

"The period since 1978 has not been one of 'reform' (with the implication of neoliberalism), but of 'neosocialism.' To meet future challenges, he argues, 'the continued rule of the Communist Party is not the main obstacle, but instead the main condition,' because 'CCP rule keeps China united and ensures stability and peace.' He emphasizes that this claim does not imply 'denial' that the Party must do better; it does imply, however, that claims about the system's imminent collapse may be misplaced."<sup>11</sup> The point here, Pieke implied, was that while despotic governments could not survive in the West, the term taken broadly, with its millennia-long democratic tradition, the story is quite different in China and possibly in other, non-Western, countries. "Pieke's argument draws on an understanding of China's premodern culture, with the 'mandate of heaven' – a kind of legitimacy gained by virtue of rulers' ability to create prosperity – now in the hands of the CCP. He paints a fascinating, counterintuitive picture of the CCP as a quasi-theological

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<sup>10</sup> Marshall T. Poe, in *The Russian Moment in World History*, (Princeton University Press, 2011), argues that strong authoritarian power enabled Russia to survive. Andrei Tsugankov, in *The Strong State in Russia: Development and Crisis* (Oxford University Press, 2014), argued that the strong state in Russia was a prerequisite for Russia's survival, both in the past and present.

<sup>11</sup> Rana Mitter, "What next for Trump and Xi?" Project Syndicate.org, 7 April 2017.

institution, and certainly one that has no intention of using the tactics familiar to liberal societies to reform. But he has more faith than Shambaugh or Pei in the system's capacity to use mechanisms such as consultative democracy, petitioning, and the rapidly developing, albeit much constricted, legal system to encourage profound change.”<sup>12</sup> While finding positive aspects in the Chinese totalitarian arrangements, Pieke still saw in the Chinese model mostly a template for the development of a non-Western country.

Francis Fukuyama shared Pieke's view. After almost 30 years, he implicitly acknowledged that his early uncompromisingly universalistic views on global development did not work, and needed to be supplemented by a certain dose of Huntingtonianism, i.e., the assumption that different civilizations could follow their own roads, at least in the short term. Chinese totalitarianism and the state's direct engagement in the economy could work well, possibly much better than American capitalism. Still, these practices are still limited to China only. Fukuyama noted that “China's development model is different from the one currently fashionable in the West. It is based on massive state-led investments in infrastructure – roads, ports, electricity, railways, and airports – that facilitate industrial development.”<sup>13</sup> And here, the Chinese model is quite different from that advocated by Americans.

“American economists abjure this build-it-and-they-will-come path, owing to concerns about corruption and self-dealing when the state is so heavily involved. In recent years, by contrast US and European development strategy has focused on large investments in public health, women's empowerment, support for global civil society, and anti-corruption measures.”

Fukuyama admitted that the desire for “women's empowerment” and “Support for global civil society” and similar meritorious actions might be enticing. Still, the economic implications of these actions are negligible or nonexistent. “Laudable as these Western goals are, no country has ever gotten rich by investing in them alone. Public health is an important background condition for sustained growth; but if a clinic lacks reliable electricity and clean water, or there are no good roads leading to it, it won't do much good.

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<sup>12</sup> Ibid.

<sup>13</sup> Francis Fukuyama, “Exporting the Chinese Model,” *Project Syndicate*, 12 January 2016.

China's infrastructure-based strategy has worked remarkably well in China itself, and was an important component of the strategies pursued by other East Asian countries, from Japan to South Korea to Singapore.”<sup>14</sup> Thus Fukuyama's view is different from the mainstream, but not much. He acknowledged that the Chinese model might work in Asia, but not in the West. Still, even this view, the assumption that China's totalitarian arrangement could work at least in Asia, is comparatively rare. The mainstream assumption is that China, unless it follows the democratic model, is doomed in this or that way.

These views dominated Western views and official American statistics still represent the Chinese economy as still trailing the American economy. Even now, the USA's statistics assured that China could be just a “second economy.” Finally, those who admitted that China had achieved visible economic success attributed it to acceptance of capitalist practices. Still, these also would diminish China's appeal in the long run.<sup>15</sup>

## VII. China's “underdevelopment” and Social-political “perversion”

As noted by some Western observers, China could achieve economic vitality, but this could hardly help China to spread its influence. They implied that purely economic incentives are not enough to push other nations to move closer to China. To be a leader, one must have “discursive” attractions. The country should be an attractive model. Still, the Chinese economic model and related totalitarian political system could not work in the context of Western democratic and implicit “free market” tradition. Secondly, China could not be an example of the major socio-economic systems which competed with each other throughout most of the 20<sup>th</sup> century – capitalism and socialism. The point here is that China is neither the good wholesome capitalism of American type nor actually a socialist country.

Elaborating on the Chinese socio-economic and, implicitly, political deficiency, Western observers noted that Chinese capitalism is half-baked, so to speak, a sort of debased modification of true capitalism. Logically, this sort

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<sup>14</sup> Ibid.

<sup>15</sup> Ibid.

of “second-hand” capitalism could not produce such marvelous results as pure, original capitalism in the West, especially the USA. This sort of “second-hand” capitalism could have no appeal. At least, this sort of capitalism could not compete with American unadulterated capitalism. While underdeveloped or perverted, in a way, Chinese capitalism could not appeal to the rest of the world, China could not claim that it was a socialist country. And from this perspective, China could not also provide any visible alternative. And for a simple reason: China is not a socialist country but just a country of brutal “state capitalism.” Thus, in both these interpretations, China is a capitalist country and represents either just “underdevelopment” or brutal “perversion” of benign democratic capitalism. Julian Gewirtz’ views could serve here as an example. Gewirtz (*Unlikely Partners: Chinese Reformers, Western Economists, and the Making of Global China*, Harvard University Press, 2017) noted that China had achieved a clear economic progress. He also implied that China became a sort of capitalist country. Still, there was nothing original in Chinese capitalism. It was mostly a recycling of the ideas of Western economists and East European economists who understand the importance of market economy; the latter themselves were implicitly not original in their thinking. “Yet engagement with other economists – including those from the reformist part of the Communist world, such as the Hungarian Janos Kornai, and the British economist Alec Cairncross – shaped the ‘neosocialism’ described by Pieke and gave rise to an economic miracle.”<sup>16</sup> Thus the model was clear. The idea of market economy – clearly in this reading the only viable model – had originated in the West – and was later transmitted to the open-minded Eastern European economists. And from here the ideas were transmitted to China.

Chinese capitalism, thus, could hardly have a global appeal. It is a mostly “second-hand” political and economic system, despite its clear success in China. “Gewirtz also traces the intellectual genealogy of fixtures who have since gone on to prominence in reform-era China, including Zhou Xiaochuan (today the governor of the People’s Bank of China), and Wu Jinglian (a senior economist whose nickname, appropriately enough, is ‘Markets Wu’).”<sup>17</sup>

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<sup>16</sup> Mitter, “What next for Trump and Xi?”

<sup>17</sup> Ibid.

China, in this reading, could borrow from the West some ideas and socio-economic principles. Still, China could not achieve parity with the democratic West and its innovative, human capitalism: the reason is that Chinese capitalism is framed in a totalitarian, brutal system.

While unable to provide to the world a true capitalist model, China could not provide an alternative model, either. Despite China's leadership's claims to be a socialist country, the quoted author implied, China is not a socialist society. True socialism, the quoted author implied, is a democratic system, and a society with a broad social security net; as a matter of fact, it was this creation of a broad social security net and humane treatment of the toilers which constitutes the very nature of socialism. At the same time, China's model implied the most brutal exploitation of the toilers. Indeed, "China's ruling Communists oversee one of the most ruthlessly capitalist systems anywhere in the world."<sup>18</sup>

#### IX. China as "counter-revolutionary state"

Finally, there were a few observers who saw China as a successful "counterrevolutionary" state which has become a "normal" country based on a capitalist economy. This is, for example, the case with Michael Mandelbaum, an eminent American political scientist from Johns Hopkins University. "Today, the Russian and Chinese revolutionary regimes no longer exist, with each having ended relatively peacefully. In Russia, the reforms initiated under Mikhail Gorbachev's leadership eventually led to the dissolution of the Communist Party of the Soviet Union, and the collapse of the Soviet state, whose 15 republics splintered into separate countries, none ruled by a communist party. In China, the Chinese Communist Party has maintained its monopoly on political power, but the country now has a booming free-market economy, owing to economic reforms ushered in by Mao's successor, Deng Xiaoping."<sup>19</sup> Here, Mandelbaum suffers a sort of clear sense of blindness, for he was able to see the obvious; at least, it is clear for the above-mentioned authors, and they represent the mainstream. Most of them saw China along the

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<sup>18</sup> Ibid.

<sup>19</sup> Mandelbaum, "The Iran Paradox," *Project Syndicate*, 14 July 2017.

road to decay and possibly collapse because of the regime's totalitarian core – an omnipotent state and its clear control over economic command heights – but no one saw China as a “normal” society based on a market economy and a state which broke with its early Maoist totalitarian version and, implicitly, with its own thousand-year-old totalitarian tradition. On the contrary, all, or at least the majority of them, saw the totalitarian skeleton as being, in general, intact, and the resisting “transition” as it was prescribed by Francis Fukuyama more than a generation ago.

Thus, all/the majority of the authors saw China's future as bleak, due to its inability to follow the “transition.” All of them implied, as in the case of the author of the other books, that it could only trail the modern democratic capitalist West in the capacity of second fiddle. Rana Mitter noted that China's economic success struck an increasing number of Western observers as a rising global hegemon. He rejected this notion as sort of an illusion, and departure from the true vision of China. Now, Mitter noted, these illusions are either gone or have become, as they should be marginalized. The consensus is that the Chinese totalitarian/harsh authoritarian model is leading China nowhere, and that China's rise shall lead to its reversal: decline, stagnation, collapse, or whatever calamities may befall China because of its elite's rejection of democracy and the corollary, democratic capitalism. And even if China and its totalitarian regime would somehow survive, ignoring the ironclad law of history, immutable for many Western observers as the laws of physics, China would not be able to be a global hegemon for economic, socio-political and ideological reasons.

Totalitarian brutishness and inevitable economic collapse or slowdown and, of course, absence of any viable ideology which could captivate the mind of the masses doomed China's claims to be the leader. The West shall be the clear leader regardless of anything, plainly because it is still the shrine of political liberties desired by the majority of mankind above everything.

#### **X. China would never be a global leader**

“For those more interested in the geopolitical bottom line, Jonathan Fenby's brief, insightful book *Will China Dominate the 21<sup>st</sup> Century?* puts the matter bluntly and argues – rightly – that the answer is no. Fenby, a former

editor of the *South China Morning Post*, points out that China will always be a ‘dependent’ power, importing vast amounts of minerals, fossil fuels, and even food in years of bad harvests. Equally important, despite genuine resentment at being forced to operate in an international system not of China’s making, there is no such thing as a ‘Chinese model’ that could be put into operation in a consistent way elsewhere. It is one thing to argue that China has a unique polity that makes liberal democracy impossible; it is quite another to argue that others must exchange political rights for economic benefits. Fenby does not go as far as Pei and Shambaugh. But ‘if reform is not undertaken in a far-reaching manner,’ he warns, China ‘will lurch from problem to problem, limiting its future development.’”<sup>20</sup>

The notion that the totalitarian/authoritarian model, increasingly prevalent in Asia as well as other problems, has doomed Asia to trail the West has continued to spread.<sup>21</sup> All previous assessments have implied that China’s totalitarian arrangements related to deeply dissatisfied masses who suffered from greed, total corruption and similar ills. All of this made China “abnormal” in comparison to the democratic, capitalist West. In another interpretation, all of this shall lead to China indeed creating a capitalist system, but also stagnation, degradation, collapse and marginalization. Remarkably, this condemnation of China’s regime saw no difference between Left and Right, so clear during the Cold War, when they had absolutely different views of the USSR; so similar to that of its makeup to present-day China. Even those who could be described as Leftist or liberal published books on China, which now look more similar to Karl Wittfogel’s narrative than to any of the books published by “revisionists,” that is, those Western historians who believed that the USSR, even in its Stalinist modification, was a peculiar democracy. Moreover, Stalinist USSR was more democratic than the present-day West. One might note here that “revisionists” dominated Russian/Soviet studies in the 1960s and 1970s and even beyond.

This vision of China as the state and regime with no future increased

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<sup>20</sup> Rana Mitter, “What next for Trump and Xi?” Project Syndicate.org, 7 April 2017.

<sup>21</sup> See, for example, Michael R. Austin, *The End of the Asian Century*, Yale University Press, 2017.

as time progressed. Observers believed that the vision of China's dominant global position is the same optical illusion as the belief that the rise of "populism" in the West, with a clear authoritarian corporativist streak, is the indication of a long-term trend; the populace would finally be freed from the grip of "fake news" and return to the right path of the liberal capitalist arrangement, the only truly "normality" in the Fukuyamian context. China shall also lapse into degradation unless it follows the democratic road.

"A new tone characterizes many of these books. For much of the 2000s, there was a tendency to view China as a rising hegemon whose economic and military strength would inevitably give it pole position in Asia, and possibly a major role in global leadership. The stark contrast between China's double-digit economic growth and the West's malaise after the 2008 financial crisis seemed to give weight to this interpretation. But, over the past year or so, several studies have argued that China's current socioeconomic model is running out of road."<sup>22</sup>

Thus, it was clear for most Western, especially American, observers that China has not changed much since Mao's death. Moreover, one could assume that China has not changed much since the 1949 Communist takeover, plainly since the totalitarian skeleton continued to be untouched. There were some liberalizations in the beginning of the post-Mao era. This was especially the case with the economy. Still, even here, the changes were not strong enough to change the nature of the state. It continued to be distinctly different from the West. Moreover, the rise of Xi Jinping led not to increasing democratizing and decline of government engagement in the economy but to the opposite process. Similar to the Stalin regime in the USSR in 1929, Xi Jinping, in many ways, albeit not completely, reversed the course of events of the past: the government dramatically increased state involvement in the economy, and the power of the state also increased visibly. The very logic of history which implied the imminent triumph of the Soviet "Thermidor" was ignored once again: instead of "liberty," totalitarian arrangements reasserted themselves.

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<sup>22</sup> Mitter, "What next for Trump and Xi?"

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