



# Geopolitics and policy paradigms in China and the US

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## Outline & argument

- Major transform of the international system because of ‘rise of China’ and (possible) decline of US
- But it’s not just a material phenomenon
- Part of contest between US/China is ideational
- Key questions are: does China also have ‘soft power’; is the ‘Beijing consensus’ going to replace American model?
- Probably not....

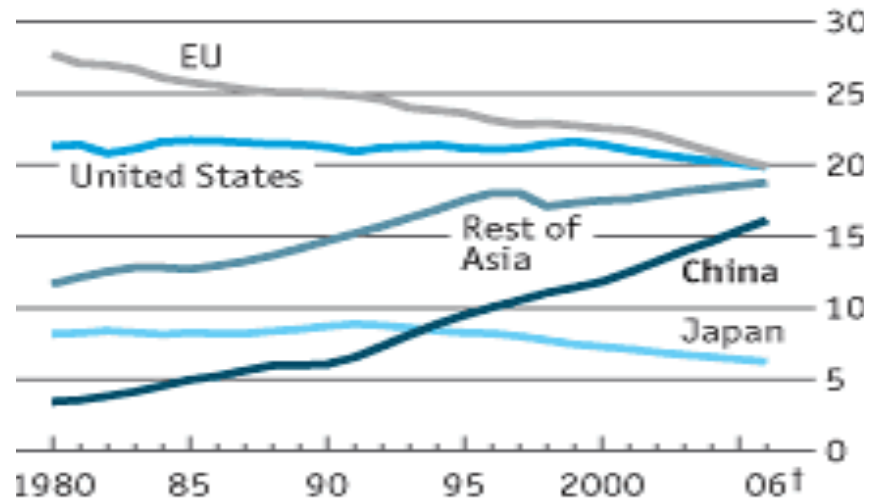


# Sino-US ties in geopolitical context

- China has reemerged from ‘100 years’ of shame’
- Once again central part of international system
- Ironically China benefited from ‘US hegemony’ /Bretton Woods system
- Not just a material challenge though....
- China part of East Asian, state-led development

## Coming up in the world

Share of world GDP\*, % of total



Source: IMF

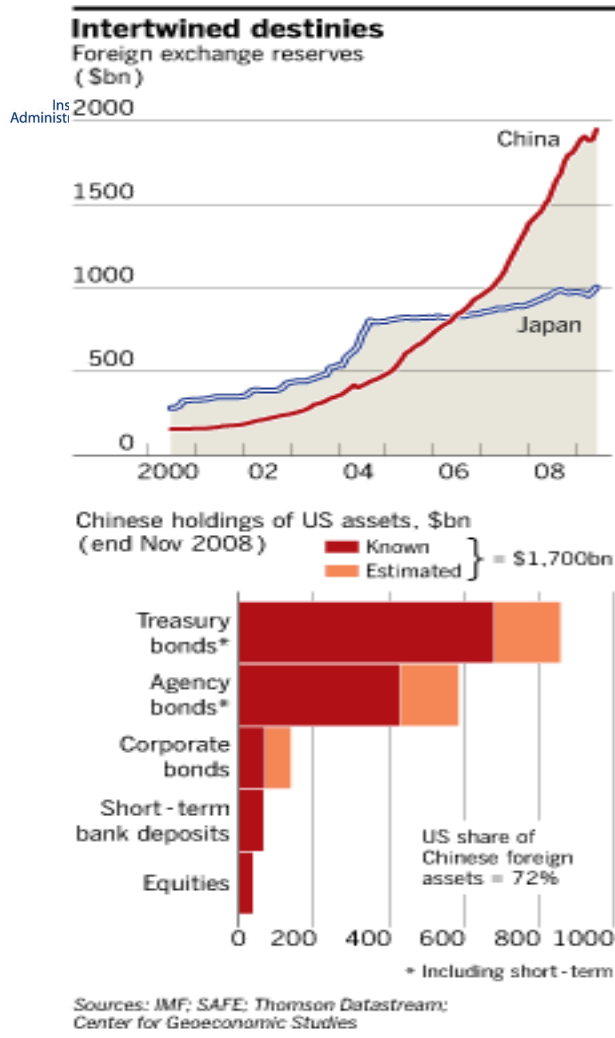
\*At purchasing-power parity

† Estimate



## The paradoxes of interdependence

- The (economic) destinies of the US and China are increasingly intertwined
- While some of the US's problems may be self-made, they are increasingly reliant on China to underwrite their economy & overall 'hegemonic' position
- The GFC was actually a crisis of American and European capitalism
- China's economy remained strong, partly as a consequence of effective (?) state intervention
- Consequently the 'China model' looks more attractive





# Is there a Chinese paradigm?

- Great interest in BC *outside* China...
- But means little more than pragmatic approach
- Not as coherent or as demanding as WC...
- Makes it potentially attractive, but more difficult to adopt or identify





# The China model?

- No real agreement on nature of 'China model'
- But authoritarianism/rule of CCP key features
- Can such practices/control be reproduced elsewhere...
- Or sustained in China?
- Is China actually playing by the West's rules?



## China's growing economy

*Selected results of a recent OECD study:*

### The big picture

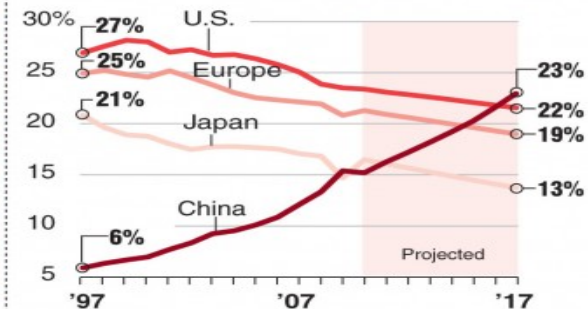
Projected for 2010, except where indicated

GDP growth	10.2%
Inflation	1.8%
Surplus/deficit % GDP	-0.9%
Trade* % GDP	5.4%
Jobless rate (2008)	5.7%
Personal savings rate (2007)	38%

\*Current account balance

### Manufacturing forecast

China is on track to become the world's top manufacturer; world market share, at 2000 prices



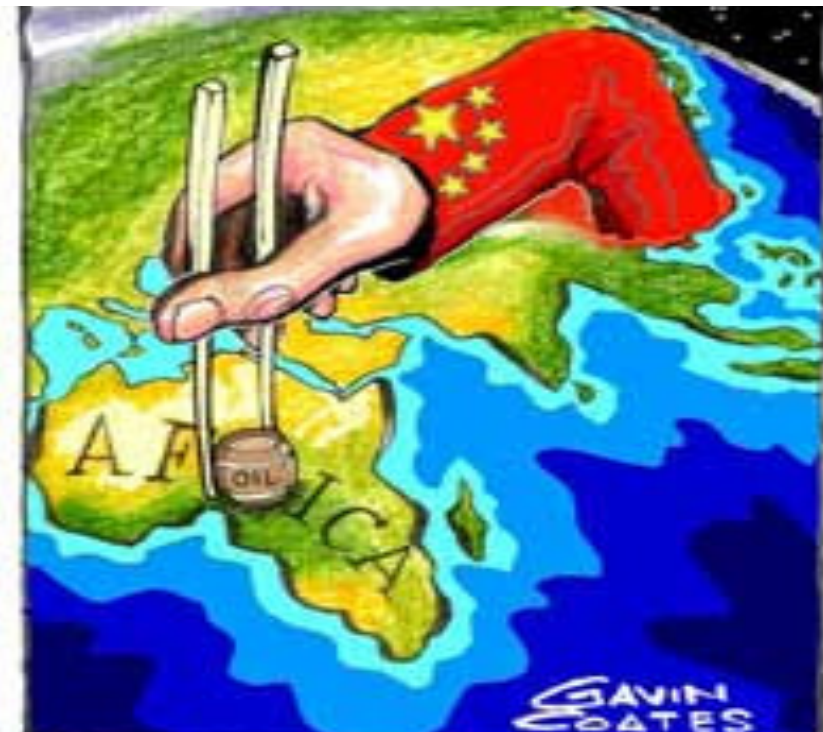
Source: Organization for Economic Cooperation and Development  
Graphic: Pat Carr

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## Can the model be exported?

- The WC may not have been popular, but conditionality meant it had impact
- China model has less traction/  
Chinese seen as neo-colonial
- Can China play a more prominent multilateral role in key IFIs?
- Who is socializing whom?





## Conclusion

- China's development experience different to Western experience, but this doesn't necessarily make it coherent or exportable
- Consequently, the WC might be more durable than some people think
- Key international institutions still reflect US interests/values and may continue to unless China comes up with coherent model/alternative paradigm