

China and the New Global Balance

by Lord Patten of Barnes

Conference held on 18 May 2021 in cooperation with The Bridge Forum Dialogue (BFD).

After the introduction of the BLS and of FONARES by the President of the BLS, Mrs Louise Benjamin, **Mrs Catherine Leglu**, Vice-Rector of the University of Luxembourg made an Introduction on behalf of the BFD. She presented the Bridge Forum Dialogue and expressed our support to the British-Luxembourg Society in organizing this interesting and timely event.

Lord Patten, in his introduction, expressed nice words on Luxembourg and on the EU, recalling that he served as European Commissioner for External Affairs.

As Chancellor of Oxford University, he now can see the bad consequences of Brexit.

Lord Patten made a lively and in-depth analysis of China's history, its economy and its present position in the world.

He gave his personal views "speaking from the heart".

He does not at all propose to launch a cold war against China.

However, he recalls that after the Second World War, the Soviet Union's views were viewed as incompatible with those of the open democracies at the time. We might be now in similar position with China.

For a longtime, China in the 19th and at the beginning of the 20th century, was plundered by foreign powers.

There were afterwards some attempts of democratization, under Sun Yat-sen.

But then, China was ravaged by a succession of warlords, the invasion by Japan, the Communist Revolution, starting as a peasant movement, to seize finally the power in 1949, with the assistance of the Soviet Union.

Since then, China is under dictatorial rule.

It was affected by dramatic events, the great famine, the Cultural Revolution, the stagnating economy.

Many people came to Hong Kong as refugees, to escape the repression of the communist regime.

Later on, thanks to the successor of Mao Tse-tung, Deng Xiao Ping, China joined the global economy; it took advantages of the globalization of markets and joined the World Trade Organization (WTO). Its economy grew rapidly to become number two in the world, possibly even number one, at least in certain areas, according to hardly verifiable data.

It is now the world largest exporter and the largest importer of energy. It imports more chips than oil. It invests massively in infrastructure and research. 700 millions of people rose above poverty in thirty years' time. The middle class is growing.

But the Marxist previsibility, which politics follows economics, did not materialize.

Contrary to the expectations of the first President Bush for instance, the opening of the economy did not entail an opening at political level.

On the contrary, the Communist Party is tightening its grip on Chinese society.

Alexis de Tocqueville, the great political philosopher (much admired in recent years by figures in the Chinese government) sent in this regard, two important messages:

- people who are better off are not easier to govern,
- authoritarian regimes are vulnerable when they are reforming.

For the Communist Party, the western liberal democracy, which they see as declining, is the enemy. It agrees with Stalin's view, for whom "education is an engineer of the soul".

People should be prepared for a heavy struggle against western democracies and Human rights campaigns.

The patriotism is so defined that if you love China, you should love the Communist Party.

If you criticize the established power, you are a terrorist.

The truth is that the Communist party cannot be trusted.

They are not respecting their commitments; they are breaking their word.

While benefiting largely from the free international markets, internally they practise discrimination; they support their own companies, they subsidise them, they protect them against foreigners, imposing joint ventures and other restrictive practices.

So, where are we and what should we do?

So far, the Chinese economy was extremely lucky and successful, but China may be seen at its strongest now, while being confronted with big challenges:

- demographic: gender imbalance, ageing and diminishing population. One may envisage a reduction of 50% of the population before the end of the century.
- economic; progressive slowing down of the growth ? Unstable debts (exceeding already 300% of GDP), ...
- social: inequalities, rural poverty, treatment of minorities (China committing crimes against humanity, if not genocide)
- environmental: China remains a big polluter, rivers disappear, droughts are extending in the North,
- military: Chinese threatening its neighbors

Lord Patten surely does not propose to launch a cold war against China or to build a bamboo curtain.

We need to work together with China in various domains, including science or healthcare.

We don't want to contain them but we should constrain them when they behave badly.

Let us work together with the new US Administration, to promote our values, our liberal democracies, our open societies.

Questions and Answers

Question 1: Hong Kong's present situation and the role of the Communist Party

The people in Hong Kong are very attached to economic and political freedoms, but the Communist Party is acting as a colonial power.

Beijing is making use of the local government as a transmission mechanism.

Due to the temporary leasing agreement, coming to an end at the end of last century, it was never envisaged to grant independence to Hong Kong, to transform it into a new Singapore.

Now, China sees the Common China-UK Declaration as an old, historic document, without legal value.

Question 2. *Military threats in South Chinese Sea. Possible invasion of Taiwan?*

The Press recently mentioned this threat as very serious one.

There is no legal ground for such a Chinese intervention, but China does not accept the jurisdiction of the International Court of Justice in The Hague in this case.

The fact is that Taiwan is not an historical Chinese territory. Its habitants feel more Taiwanese than Chinese. It is appalling for instance that Taiwan was not allowed to send an observer at the WTO.

Lord Patten does not think that such invasion may occur easily soon.

Anyway, Taiwan security should remain a strong red line for the Western allies.

Question 3. *Could the transfer of sovereignty from UK to China have been handled differently?*

Lord Patten considers indeed that we could have done more for protecting democracy in Hong Kong.

There was no possibility for UK to grant independence to the territory, but at the time Hong Kong had a GDP corresponding to almost 15% of the Chinese one; this was perceived as a good guarantee for the maintenance of the liberal system.

We could have favored more democracy by organizing, before Hong Kong was handed over to China, direct elections for local authorities.

The Common Declaration has proved to be a weak instrument, without recourse to any jurisdiction or arbitration.