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Conference proceedings

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Chinese and Western Ideas of Harmony and Their Contribution to World Peace

Sixty-five years ago, at the end of World War II, five great powers, having shared a victory over fascism, established a leading role in the United Nations. Those powers were the United States, Russia (then the leading element in the U.S.S.R.), China, France, and the United Kingdom. It was hoped that these powers, working in harmony, would create a foundation for world peace.

Unfortunately, things did not go as hoped. Russia and the United States became rivals, each building large allied armies that faced off along the border between Western and Eastern Europe. In 1949, China had its great Communist Revolution, which led at first to isolation, then to rivalry with the U.S.S.R.. A few years later, China and the United States were at war over Korea. In 1950, Britain gave up its empire in India, and in the 1960s, France became embroiled in wars in Algeria and Vietnam, the latter drawing in the United States and pitting it against a Russian ally.

Times looked bleak indeed for those looking to either the U.S., or Russia, or China, for a foundation of world peace.

However, in the last thirty years, the world has changed almost as dramatically as it had after WWII, and we again confront a new balance of world powers. Russia has now shed both the frameworks of the Soviet Union and the Communist Party, and is seeking to build a prosperous and peaceful society based on Russian interests and values. China, since the adoption of economic reforms under Deng Xiaoping, has given its people greater economic freedom than at any time in its modern history, and been rewarded with a surge of economic growth that has made it one of the world's largest and fastest-growing economies. England and France, along with 25 other countries in Europe, have joined in the European Union, creating a continental free trade zone and seeking to overcome Europe's history of nationalist differences. And the United States, although enmeshed in a war against radical Islamic terrorists since 2001, is seeking to work with Russia and China against this common enemy.

However, perhaps the most important shift in the global balance of forces is that the United States and Europe no longer dominate the world economy as they did in the mid-20th century.

According to estimates by Angus Maddison, the share of global GDP produced by western Europe and the United States has fallen from over one-half in 1950 to just over one-third by 2003. The GDP of the United States, which was six times that of China in 1950, is now only about one-third larger than China's. The simple divisions of the Cold War have given way to a truly multi-polar world, with many regional associations – such as the Organization of American States, the Shanghai Cooperation Organization,



the European Union, the African Union, and the Association of Southeast Asian Nations – all seeking to build regional peace and prosperity.

The Cold War world was dominated by an ideological conflict between two western ideas, both of which developed in 19th century Europe: liberalism and communism. Liberalism claimed that societies should be organized to provide as much individual freedom as possible, consistent with the need to avoid violent conflict. We might use the example of a city where traffic is regulated only by traffic lights. We assume people will follow the rules and obey the traffic signals out of their own self-interest, to avoid crashes. Given that belief, we allow people to drive when and where they choose, and trust that their common interest in following the rules will keep everyone safe. Communism claimed that individual decision-making and competition, especially in business, would inevitably lead to a few people benefitting at the expense of everyone else, leaving most people worse off. Thus the Communist idea argued that harmony required powerful governments to control economic and political behavior, and to enforce the equality of conditions. In such a city, we would not trust to traffic lights, but would have police on every major roadway and intersection directing traffic, telling people when and where they can proceed.

The outcome of the competition between these two ideas was clear by the 1990s: the people of the Soviet Union and Eastern Europe rejected communism by popular actions, while the leadership of China modified their economic policies to allow far more individual decision-making and reduce government control of people's lives. The reason for this outcome was mainly the superior performance of liberal economies. To be sure, the liberal economies suffered from periodic crashes – in times when the rules governing economic actions had become fuzzy, or people found ways around them (such as by accumulating and hiding massive debts), economic actions did not always produce harmony. These crashes were painful, but recovery always followed, and overall the liberal economies grew rapidly over time. The communist economies were more stable, but also more sluggish, so that while there was growth, the living standards of communist nations did not keep up with those in the liberal states.

If we ask why the liberal states succeeded better economically, we can answer in one word – innovation. A steady flow of innovations led the liberal economies to continually renew their economies, improving their agriculture and industry, and creating entirely new areas of wealth production, from computing and biosciences to on-line services. Innovations arose much faster where people were free to develop and pursue their ideas without government interference, than in nations where governments maintained tight control over which economic activities and which new ideas were supported.

Today, whether in China or the United States, in Russia or in Europe, there is agreement that progress comes from innovation and success in business, and that this is



best achieved when government sets clear rules and enforces them fairly, but does not directly engage in controlling the majority of economic activity in society.

Yet behind this agreement, there is still a great deal of anxiety and debate about the proper nature and role of government, especially following the global economic crash of 2007-2009. What kinds of rules should governments be setting? Did the governments in Europe and America fail? Did China – which weathered the economic crisis much better and continues to show the world’s strongest growth – have better policies and better values? And on what kind of basis, what sets of western or Asian values, can these different regions ever cooperate and achieve world peace?

What are Chinese Ideas of Harmony, and how do they differ from Western Ideas?

There is a major difference between Chinese and Western ideas of harmony, and this has major implications for harnessing these values in the cause of world peace. In the West, all adults are viewed as individuals, with their main responsibility to themselves. Thus the Western ideal of harmony revolves around getting individuals to cooperate. The institutions of western societies – democracy, free debate, justice by independent courts and juries, economic decisions made mainly by free markets, and open and competitive media – are designed to help individuals coordinate their decisions and actions through sharing ideas and arriving at agreements and compromises on their various individual views. Leaders and laws are selected by the free choices of individuals and their representatives. Because it is accepted that individuals can and will have different views, politics is a constant competition to win public opinion to achieve victory in elections, and to win agreements in order to pass legislation and make policy decisions.

This system leads to a pattern of politics that is noisy, competitive, and unpredictable. It is often hard for governments to do anything unless there is a crisis that demands action and brings diverse groups into agreement. Leaders sometimes seem to be vainly following public opinion, rather than exercising real leadership to take difficult but necessary decisions. Individuals following their own economic interests usually are led to innovation and profit-making, which is good for the economy; but if the rules are not clear to prevent fraud or people are led to take excessive risks, individual decision making can lead to too much debt and too many bad decisions, bringing an economic crash. Viewed from outside, harmony may seem to be lacking entirely.

Nonetheless, over the longer term, most western societies function surprisingly well. Crime rates are tolerably low (although the United States’ odd agreement that it is good for everyone to have guns produces aberrantly high murder rates there). Corruption is kept to minimal levels, and economic growth and innovation remain strong over time. When all is said and done, everyone has an interest in maintaining conditions that offer security and the opportunity to make money, and so individuals tend to eventually agree on laws and actions that promote those goals.



Chinese ideals of harmony, stretching back to the sixth century BC, when Confucius and Mencius developed the ideas known today as “Confucianism,” are quite different. The guiding value is not individualism or individual freedom, but filial piety. That is, harmony is maintained not by getting diverse and equal individuals to come to agreement to follow a set of rules, but by insisting that subordinate individuals honor and obey their superiors. The key unit is not the individual, but the family, and everyone is defined by their family roles. Women are to honor and obey their husbands and his parents; younger men are to honor and obey their parents and ancestors; adults are to honor and obey those trained and knowledgeable in Confucian ideas, and scholars and all Chinese (and those of other nations) should honor and obey the authority of the Emperor, who Heaven has placed as the leader of the ‘family’ of all of China.

Even during periods when China was ruled by Emperors who were not ethnic Chinese – as under the Mongols during the Yuan dynasty and the Manchus during the Qing dynasty – these ideas of harmony remained in place. It is not that Chinese ideas of harmony expected everyone to be the same. Confucian ideas of harmony explicitly recognized the need to harmonize differences, by balancing opposites – the ‘yin’ and ‘yang’ characteristics of different genders, actions, and natures. However, this balance could only be achieved and maintained under wise and morally sound leadership, and by people accepting and following that leadership.

The institutions of China – a bureaucracy of scholar-officials chosen by merit, an imperial censor that held officials accountable for following the decrees of the emperor and for promoting prosperity and harmony, a ministry of rites that enforced ceremonial practices designed to remind people of the need to respect and obey their superiors – were successful in making China the world’s richest society for many centuries. However, it was a system that worked best in times of relative economic and political stability. It was not a system that produced a steady flow of innovations, and it was not particularly good at reacting to unexpected shocks. Thus China was periodically overcome by nomads from Central Asia, and had great difficulty coping with surges in population or the external pressures from Western countries in the 1800s.

Indeed, by the mid-1800s, the Chinese system was unable to cope with the flood of new ideas and new activities that accompanied expanded trade and interventions from Western countries. The result was one of the largest civil wars in history – the Taiping rebellion. The Taiping marked the end of the success of the Chinese system of promoting harmony. Although the Taiping rebellion was suppressed, that was only done by ceding unprecedented independent authority to local scholar-officials who raised their own armies against the Taiping. This devolution of power to local warlords was followed by further Western incursions, the Boxer rebellion, and then a series of revolutions and civil wars from 1910 to 1949. Altogether, the entire century from 1850



to 1950 was an almost unbroken stream of civil wars and revolutions – hardly the ideal of harmony to which China aspired!

The Chinese Communist Party re-established national order, but did so by discarding, even overturning, traditional Chinese Confucian values. Instead of filial piety, loyalty to the Party became the highest value. People were expected to honor and obey their local Party officials rather than their parents, ancestors, or local elders or scholars. The Party's seizure of complete control of the economy led to periodic disasters even worse than the crashes of liberal societies – in the Great Leap Forward, uncounted numbers of Chinese starved to death. In the Great Proletarian Cultural Revolution, the economy virtually came to a halt as workers were exhorted to indulge in the rhetoric and actions of Communist Party history and ideology to the exclusion of doing their daily jobs. Schools and factories ceased to function, and violence between Red Guards and older Chinese spread through the country. Again, harmony was absent.

Since the reforms of Deng Xiaoping, many of the excesses of the early years of Chinese Party rule have been corrected. The Party has encouraged individuals to make their own decisions regarding work and economic activity. Merit has again become the chief criteria for promotion and success in political and economic life. China's economic growth during these years has been astounding. Leaders have been successful in promoting both harmony and prosperity, to a degree not seen since China's great Imperial regimes.

With China's remarkable economic success, and the recent economic crisis in the West, observers have been asking – are there lessons in the institutions and ideas of China that have advantages over those of the West, and can those lessons be applied to global relationships, underlining China's new global importance?

Ideals of Harmony and Global Peace

First, we should try to understand clearly the reasons for the economic crisis in the West in the last few years, and the reasons for China's superior economic performance. After all, we would not want to make recommendations for shifting global relationships or seeking global harmony based on misunderstanding short-term trends.

Some have been quick to see the 'collapse of the West' or the "Rise of the Rest" in recent economic events. It is certainly true that the recent events have revealed a dangerous level of debt in several Western countries that may slow their growth for some years to come. Yet we must not overestimate the impact of this crisis on the overall wealth or trajectory of the West. This was a banking crisis, similar to dozens of such crises that have periodically struck countries when their financial systems have unwisely taken on more debt than their underlying asset structure could support. Such a crisis appeared in Sweden in the early 1990s, and in the United States in the 1980s. In both cases, although there were widespread bankruptcies of financial institutions, and a



short-term slow-down in growth, the economies recovered and returned to normal growth within a few years. The U.S. already appears to be back on a growth path in 2010, with some European countries coming back as well, even though others are still overburdened by debts. I should point out that none of the major western nations appear to be as badly hit as Japan was in its 1990s collapse, where speculative excess and unbounded faith that Japan would soon overtake the U.S. as the world's leading economy produced foolish overvaluations of assets and terrible investments. Even though Japan's leading companies have recovered, Japan's economy as a whole remains depressed, and after twenty years asset values have still not recovered to anywhere near their 1990s level. By contrast, asset prices in the United States (including stocks and housing) have already recovered half of their losses during the "Great Recession," and look to be poised to resume growth.

And if we ask why China did so well during the Great Recession, the answer is simple: government stimulus. China's government poured money into infrastructure projects – the only difference with Western governments is that China did not have to spend heavily to prop up its banks (which because they are mainly state-owned anyway already depend on government funding), and China could fund its stimulus spending out of reserves rather than by borrowing. But the Chinese had not discovered any magic formula for growth that allowed them to do without the same kind of fiscal stimulus that was being used in Western nations.

As to why China has enjoyed such remarkable growth in recent years, it is a happy combination of demography, globalization, and history. China entered the 1980s with the most literate and skilled labor force among the very-low-income countries. Once China decided to embark on embracing globalization and allowing its labor force to produce for international markets, China's became the world's best value for labor-intensive manufacturing. China quickly became the workshop of the world, and also became a major producer of cement, steel, and other products needed for the infrastructure it was creating to support its new role as a world-class export power. Finally, with the advent of the one-child policy in the 1980s, China enjoyed a huge expansion of the portion of its population in the prime labor-force age brackets while reducing its dependency ratio. This 'demographic dividend' allowed China to take maximum advantage of the new opportunities it had taken in the globalized economy.

Many of these advantages are about to end. China's labor force will stop growing in 2015, first stabilizing for a decade and then starting to decline. Labor shortages are already showing up in major manufacturing centers along the coast, as workers are reluctant to move to increasingly expensive regions for low-wage work. Wages have risen and will have to rise further, but that will leave China vulnerable to competition from lower-wage countries for labor-intensive production. China is aware of this and is seeking to move to higher value-added work through engineering innovation and creating internationally-recognized brands. However, progress has been slow, and certainly not sufficient to offset the labor force decline that will start in just a few years.



In short, it would be a mistake to read too great a change into the trends of the last few years. China's growth has been the result of extremely favorable conditions and will likely slow down.

The West's economic crisis was similar to crises in the past that caused great short-term pain but did not halt the West's long term economic growth and development. In both China and the West, it seems clear that similar economic formula – encouraging private enterprise, rewarding innovation and capital investment, and participating in global markets – will be used to guide growth.

What then of the different ideals of harmony in China and the West? These are still evident in the realm of politics. In China, the ideal of harmony through respect and obedience to a wise and benevolent leader is still emphasized, and operates through the Chinese Communist Party's dominance of political decision-making. Avoiding chaos – defined as competing centers of authority and open contestation over leadership and policy – is still the main guide to the Party's behavior. In western Europe and the United States, harmony is sought (often not very successfully) through open competition for leadership and over ideas, with often multiple and competing authorities (national leaders, autonomous leaders of states or cities, legislatures) campaigning for or even enacting differing policies. Russia has followed something of a middle path, with national elections for leadership, but with an elected government that has sought to minimize any competition from competing sources of authority, or any independent policy actors, in the hope of maintaining better stability and prosperity than during the immediate post-Communist years.

What can the role of these different approaches to political harmony suggest in seeking global peace. One thing that strikes us immediately as very odd, even bizarre, is that it is the United States that seems to have been guided by Chinese ideas of harmony in its foreign policy, while Russia and China have espoused more Western, individual-type ideas of international relations.

That is, in Imperial China, the Chinese leadership assumed that since it was the richest, most cultured, and philosophically most advanced society in the world, it was normal that other nations should recognize its authority. The emperor explicitly asked foreign leaders to bow down to him, to recognize his global overlordship. Thus the kowtow of foreign emissaries to the emperor of the "Middle Kingdom" was part of Chinese diplomacy and court ritual.

In the last twenty years it seems that it has been the United States, conceiving itself as the 'sole superpower' after the end of the Cold War, which has expected other nations to recognize its authority as the world's leader. Rather than seeking to balance the diverse interests of different, individual nations, the United States has insisted that other countries should follow its lead, and give support to its decisions. Yet this has generally



turned out badly. Whether in Iraq, at Copenhagen, or at other summits, US insistence that its policies deserved obeisance from other nations has been poorly received. Instead, it is countries like Russia and China that have insisted on their individual interests, and the right to follow those interests, in their national and international policies. What an odd inversion – we have the US following traditional Chinese ideas of global harmony through seeking to impose a single authority and subordinate all others, while China and Russia, as well as many other nations, have followed the liberal idea that all parties have the right to assert the validity of their distinct individual interests!

It is clear that the United States' effort to exert global authority have not succeeded, as Iraq, Iran, Europe, Russia, China, and even Japan have pursued their own policies, cooperating with America when they see such cooperation as in their interests, but always insisting on maintaining their own distinct views and freedom of action. Meanwhile, terrorism, civil wars, and even genocides have occurred in the Balkans, Africa, the Middle East, and parts of Asia. If we are to steer a course toward greater world peace, we must seek another answer.

Some have talked about the decline of the U.S., suggesting it will be followed by the rise of China as the world's new superpower, and thus the return of China to the central or dominant role it enjoyed in the world in ancient and medieval times. Certainly, if one looks only at growth rates and net foreign reserves, one could think this way. Yet it is a fantasy. For the foreseeable future, even with China's growth continuing and its economy catching up to that of the US in overall size in another two decades, the combined GDP of Europe and the United States will still be double that of China. Moreover, other countries – Brazil, Russia, India, Turkey, Mexico – will be producing increasing shares of the world's output. Thus the world we are heading toward is one of increasingly entrenched multi-polarity. It is a world in which no country will be able to claim dominance.

In such a situation, the only idea of harmony than can be effective is the liberal idea, which accepts the diverse views of individual nations, and the peoples within them, and seeks to produce harmony by open discussion and negotiation – on terms of equality and mutual respect! – that lead to agreement and cooperation.

The problem we have today with the current global institutions is that they were designed to be inherently *unequal* – reflecting the global dominance of a handful of mainly Western nations after World War II. They thus cannot live up to the liberal idea of producing harmony through providing rules under which free and equal individuals accept those rules in the interest of promoting their joint peace and prosperity.

We therefore need to change today's institutions of global governance – the U.N. the World Bank, the WTO, and others – to more truly operate according to liberal ideas, with rules that are agreed to by diverse nations acting as free and equal, instead of rules



that favor the leadership of certain nations and presume that others will follow. I am happy to say that things are already moving in that direction, with the replacement of the G-8 by the G-20 as the global forum for discussing economic and financial policies, with the increase of voting shares of developing countries in the World Bank, and with the increased assertiveness of the non-permanent members of the UN Security Council. However, much more needs to be done, from expanding the permanent membership of the Security Council to rethinking NATO and the EU to be truly open and liberal organizations, open to anyone who will agree to follow their rules, rather than organizations that represent a particular cultural perspective.

Still, while a liberal world order is the only one that can hope to create harmony among a diverse assemblage of individual states, this does not mean that Chinese ideas of harmony have no place.

In fact, Europe has often borrowed specific ideas from China for its own government institutions. In the 18th century, European intellectuals praised China for its meritocratic selection of state officials, seeing that as a far superior method than the nepotism and selection by birth that prevailed in European courts. The principle of selecting state officials based on their demonstrated skills and merits has since become universally admired, if not always adopted, and should remain the preferred method of staffing international governance institutions.

Similarly, the Chinese idea that leadership must be founded on moral authority (an idea also shared by the Western philosopher Socrates), not mainly on force or privilege, is a vital element to constrain liberal social orders from simply becoming a sheer battle of interests based on majority rule. Blending Western and Chinese ideas of harmony would require that individual nations respect each other as equals, and agree to submit to jointly agreed-upon rules providing for their peace and prosperity, but also that any such rules be defensible as morally sound, providing no abuses, violence, exploitation, or impositions that unfairly penalize or damage some states at the expense of others.

No doubt, this sounds like a utopian scheme for governing a world of squabbling, heavily armed, and culturally divided nations. Yet we should take heart from the fact that the United States – despite incorporating individuals from dozens of distinct cultures and religions and recognizing the autonomous authority of fifty states and thousands of local and municipal governments – manages to remain internally peaceful and materially prosperous. In addition, Europe, which for hundreds of years engaged in wars pitting British against French, French against Spanish, Germans and Austrians against French and Italians has now come together under an increasingly unified EU governance structure in which wars among European states are virtually unthinkable. Thus out of conflict and diversity, liberal institutions have indeed created harmony and prosperity.

We can only hope that in time, with effort, and with incorporation of the best elements of Chinese and other non-western ideas on a basically liberal framework of self-



governance by equals, the various societies of today's world can achieve the same kind of equality, liberty, peace, and prosperity for the world as a whole that the citizens of the European Union and the United States have come to enjoy. Yet that will have to be based not on any assumed advantages or natural leadership by the United States and Europe, but rather by treating all countries and peoples of the world as equals, whose individual and diverse views are entitled to respect, and whose agreement to joint rules will have to be won by seeking the cooperation and agreement of diverse peoples and nations.

