

# Chenghai Global Development Report 2024

## Chinese Modernization and the New Pattern of Globalization

Principal Investigator: Yang Guangbin



澄海全球發展與安全  
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# **Chinese Modernization and the New Pattern of Globalization**

**Yang Guangbin**

Chinese modernization has contributed to the modernization of the world, but in a way that has changed the pattern of globalization. If the British-American globalization is a “monopoly globalization” that pursues monopoly interests and even plundering, the Chinese modernization, which aims at pursuing a better life for the Chinese people, has in fact constructed a new pattern of globalization — the “liberating globalization”. Different historical perspectives on globalization also have very different judgments on the nature and trend of world politics. On the scale of modern world history, if “monopoly globalization” is the “first half” of the globalization process, “liberating globalization” means that globalization has entered the “second half”.

## **I. “Monopoly Globalization” in the Liberal Discourse**

Framings like “interrupted globalization” and “anti-globalization” are prevalent now, positioning the current world politics as “regression”. Without arguing about the meaning of “globalization”, there are at least two senses of globalization: globalization as an ideological-political project, and globalization as the evolution of historical structures (the tightness of economic

ties between countries and regions). Globalization as a political project appeared in the 1960s and it received widespread dissemination and unprecedented popularity in the 1980s and 1990s. Its core proposition was centered on the so-called Washington Consensus, which claimed that marketization and privatization were the only solutions to the primary development problems of the world. Take this as a starting point, globalization was seen by neo-liberals as a natural product of capitalist markets. Free and fair exchange eliminated artificial distortions caused by governments, interest groups, or antiquated customs, and the needs of the people, rather than special interests or wars, drove a new world order.

Under the guidance of this neo-liberalism view of history, starting from the 1980s, a reversal occurred in the entire academic discourse, with “modernization”, “economic growth”, “bureaucracy”, “rationalization”, “the driving force of development” and “entrepreneurship” replacing “class”, “financial capital”, “state monopoly capitalism”, “capital export”, “militarism”, “national liberation movements”, “land reform” and other more political framings, and the world history has been described as a unilateral diffusion of the market economy from the “center” to the “periphery” of the industrialized world. Scholars of Western-centrism attribute the “rise of the Western world” to institutional, cultural, and even ethnographic superiority, and globalization is regarded as the global expansion of the Western

spirit.

These kinds of “theoretical inventions” have reshaped the role of the West in the global economy, and the dark side of liberal imperialism has been deliberately concealed. As we know, capitalism is a system of economic organization which has very early origins. The Western countries paved the way with violence, and they used industrialization as leverage to expand the capitalist organizational system throughout the world in a very short period, forming the “modern world system”. By 1875, the capitalist world economic system basically formed, and this globalized capitalist world system strongly protected monopoly interests. According to Piketty, author of *Capital in the Twenty-First Century*, since the 1980s rich countries have pretended to be in favor of fair and open markets and universal development. However, in reality, the way that financial markets are organized and regulated has led to the transfer of huge revenues from the Global South to the West, which have continued to grow for years and years. The West also takes advantage of its first mover industrialization to grab monopoly profits. For example, a chip that controls the raising and lowering of car windows which at one time sold for more than \$100. This is typical of “monopoly globalization”, in which the institutional arrangements are very unequal and predatory.

The British-American-dominated world system is not only economic but also a world political system.<sup>1</sup> The three key words

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1 Yang Guangbin. “On System of World Politics: The Beginning of Construction of

of the world political system are “capitalism”, “whiteness” (especially Anglo-Saxon) and “international regime”. Specifically, the economic superiority (including later imperialism-colonialism) possessed by Britain and the United States through industrialization prompts the cultural superiority, that is, the racism, and ultimately forming a hierarchical “international regime” that safeguards monopoly interests. It is an “iron cage” of the world political system which is very difficult for a latecomer country to break out. That is why many developing countries are not able to develop, or at best exist as “dependent countries”.

Unless there is a strong theoretical system and highly organized political actors, it is difficult for developing countries to break out of the “iron cage”. Lenin provided a powerful theory of resistance and emancipation, and China, economically “marginalized” but organized with the principles of democratic centralism, broke out of the pattern of globalization woven by the West for 500 years. The modernization theory embodied in the Leninist path of political development represents an epistemology for autonomous modernization and globalization. Its keywords include the theory of political parties (democratic centralism), imperialism, colonialism, national liberation, and state capitalism, which constitute the essence of Leninism. The great contribution of Leninism lies in the fact that it takes advantage of the opportunity of the imperialist war to launch a revolution and

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Autonomous Chinese Social Science”. *Political Science Research*, 2017(01), 2-14+125.

establish a socialist system, then achieving industrialization by way of socialism, which opened a way to solving the fundamental contradictions (monopoly vs. development, plunder vs. liberation) of the modern world.

In fact, as early as the 1980s, Luo Rongqu wrote an article pointing out that it was wrong to exaggerate the trend of global integration to erase the growth of international contradictions and conflicts.<sup>2</sup> Nowadays, the international contradiction of monopoly and development is concretely embodied in China-US relations, in which the United States government curbs technological progress and industrial development of China to maintain its monopoly over advanced productivities. This is the fundamental conflict in the world, that is, the conflict over interests between the dominant United States to safeguard its monopoly interests and the emerging countries, represented by China that is seeking development. In a sense, this fundamental conflict is the continuation of the “Cold War”. The Cold War was not simply a struggle for supremacy between the United States and the Soviet Union, but it was essentially a struggle between the capitalist and socialist paths of development. It was also a competition between the two modes of globalization, and the focus of the competition is which development path yields better performance.

To maintain the monopoly of the capitalist development path,

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<sup>2</sup> Luo Rongqu. “Preliminary Exploration in Establishing a Modern Marxist Theory”. *Chinese Social Sciences*, 1988(01), 39-64.

the Western capitalist countries led by the United States have taken various measures, including launching ideological offensives, establishing liberal theories and inducing socialist countries to switch to the capitalist development path. American academics, financed by the government and capital (various foundations), established an American development theory system, including the modernization theory of sociology, the development economics theory of economics, and the political development theory of political science. All of these theories take emerging countries as the objects of study, but they regard the Western-style political and economic systems and social conditions as the end of history. In the early 1990s, the Soviet Union and the socialist camp in Eastern Europe collapsed, and the liberal-imperialist world system under the leadership of the United States ruled the world. The two markets that had been divided were reunited, and the world entered the era of American-style globalization. Against this backdrop, the Americans proclaimed the “The End of History”.

## **II. The Non-Western Origins of Globalization**

The time perspective determines the historical perspective. Taking 500 years as a scale, it was the rise of the West and its globalization movement that ruled and dominated the whole world, which contributed to the “The End of History” regarding globalization. Taking 1,000 years as a scale, the Great Tang Dynasty was the center of the world that harmonized all the nations. The Song Dynasty co-governed by monarchs and elites

even was the “Utopia” that the Westerners yearned for, and it was the hub of the world economy. At the same time, Europe was in the ignorant state of “witch-hunting” and years of wars caused by fragmented politics, and many of today’s nation-states were even no trace at all. Taking 2000 years as a scale, “state organization”, the most important sign of modernity according to the Westerners, was firmly established during the Qin and Han dynasties, while Ancient Greece was in its primitive form as a “city-state”. The Roman Empire of the “Hellenistic Romans” was a barbaric militaristic organization rather than a political organization dedicated to the overall good of the community.

On a scale of 1,000 years, China is undoubtedly the most powerful engine of globalization in the multicentric era. Chinese population doubled between the Tang and Song dynasties. At least 9 cities established customs ports during the Song dynasty, with Quanzhou and Guangzhou being the busiest ports in the world at the time, and foreign trade was already an important part of the Chinese economy. By the 15th century, China’s demand for silver in the world was so great, and that silver became the internationally accepted payment method. Across “China-Southeast Asia-Japan”, “China-Manila-America”, and “China-Goa-Europe”, a global trade network spanning three continents was gradually formed, and the primary maritime communication lines around China greatly facilitated the global

linkage of the market network.<sup>3</sup> As an unintended consequence, the globalized circulation of silver, which unfolded by China as a key engine, triggered complex interactions among ecology, demography, culture, politics, and economy lasting for five centuries.

In the perspective of millennial history, the impact of this globalization was no less than that of the global expansion of capitalism. So that some scholars argue that without the transformation of China into a silver-based society in the early modern period, there would not have been the same “price revolutions” in Europe and China, and a Spanish empire that survived through the sale of silver would not have emerged.<sup>4</sup>

As for Europe, at least until the middle of the 13th century, it was still very marginal. The social structure that made up “Europe” was actually one of the least developed regions of the world. Examining science and technology before the 16th century, people will be surprised to find that mathematical principles, navigation, technology, warfare, art, and important military techniques all originated in Asian societies whose level of civilization was much more “advanced”, and eventually made their way to the more “backward” Europe. Taking a thousand years of history as a scale, we will find that those so-called “pioneer countries” and even

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3 Wan Ming. “Why Globalization: China in the Ming Dynasty and the World”. *Chinese Social Sciences*, 2024(02), 188-203.

4 Dennis O. Flynn and Arturo Giraldez (1994). “China and the Manila Galleons,” in A. J. H. Latham and Heita Kawakatsu, (eds). *Japanese Industrialization and the Asian Economy*. London: Routledge. 1994, 71-90.

Europe as an “advanced region” actually make full use of their own “advantage of backwardness” to realize the “rise of the West”.

China, who first invented the state organization, was in fact ahead of the world until the 16th century, but the legacy of the barbarism of the Yuan-Mongol dynasty, such as the master-slave relationship and the ritual of kneeling, made China even more authoritarian during the Ming and Qing dynasties. The Qing dynasty even waged a campaign of literary persecution. As a result, social vitality was lost, and the highly advanced science and technology, such as smelting and navigation, faded away. At the same time, after the “Eastern Roman Empire” who lost Constantinople in 1453 lost the sources of wealth from the east, Spain and Portugal had to look for new sources of wealth. The Great Maritime Navigation led to the “Rise of the West” by accident. The Chinese Taoist concept of time, that is, “To change and develop in the opposite direction is the movement of Tao”, answers the question of why the Western hegemony in the name of globalization is not the “End of History”, and why the rise of China is the “renaissance of civilization”.

### **III. Chinese Modernization and “Liberating Globalization”**

The key to Chinese modernization lies in the Chinese Communist Party’s ability to organize society and achieve a people-centered pursuit of prosperity and strength. This is a historical process of “relay race”. The economic and social construction of the first 30 years of the People’s Republic of China

laid a solid foundation for China's take-off after the Reform and Opening Up.<sup>5</sup> Deng Xiaoping initiated the Reform and Opening Up that revitalized domestically and opened up to the outside world in 1978, which changed the destiny of China and made China a huge world market. At the same time, in the late 1970s, the neo-liberalism represented by Hayek economics that was promoted by Mrs Thatcher and President Reagan became popular, and international capital began to flow freely. The luck had turned in China's favor, the East and the West were moving towards each other at the same time, giving Chinese Reform and Opening Up a great impetus. An unintended consequence of the East-meets-West was that Chinese modernization rewrote the traditional liberal globalization narrative, and "liberating globalization" made a striking debut.

In recent decades, the former "periphery regions" have developed very rapidly, shaking the foundations of the world system. In the 20 years from 2001 to 2021, the share of developed economies in the world economy declined from 78.84% to 59.08%, with the share of the Group of Seven (G7) countries dropping from 64.68% to 44.72%. The volume of emerging markets and developing economies has approached that of developed economies, and it is estimated that by 2035, the GDP of developing countries will exceed developed economies, and their

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5 Yang Guangbin. "The Political Development of Contemporary China from the Perspective of Historical Politics". *Political Science Research*, 2019(04), 2-14+126.

share in the global economy and investment will be close to 60%.<sup>6</sup> To this day, China has been the largest exporter in the world for many years, with its exports of goods accounting for more than half of the total global trade. Not only has there been a “quantitative change” in Chinese industrial products, but there has also been a “qualitative change”, as China has replaced Japan as one of the three centers of the global industrial value chain (the other two are the United States and Germany). According to customs statistics, in 2022, China’s export value of mechanical and electrical products and high-tech products accounted for 83.6% of total exports, while low-end labor-intensive products accounted for 17.9%. The price advantage of Chinese products makes China the top exporter of many countries, while the huge market demand makes China an important importer of many countries.

What these figures show is the realization of a truly modern lifestyle in China. In terms of convenience of life, such as mobile payment, shopping, traveling, dining and so on, probably no country in the world is more convenient than China. In terms of Amartya Sen’s “Capability of Freedom” human development index, in the aspects of education, average life expectancy, and social safety nets, few developing countries are comparable to China. Furthermore, China’s performance is no less than that of the most developed country in the world, which is the United

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6 IMF. *World Economic Outlook: Recovery during a Pandemic—Health Concerns, Supply Disruptions, Price Pressures*, Washington, DC: International Monetary Fund, 2021, 83-86.

States.

One of the approaches to China's "liberating globalization" is the "price revolution". Based on the huge market attributed to the Chinese vast population accumulated over the first 30 years of the PRC, the industrial system and the whole industrial chain, and especially the spirit of independence, China has made the world major industrial products at knockdown prices by independent research and development. For example, the price of the aforementioned chip is only 1% of the original price, which is a powerful way to "de-monopolize". By liberating itself to benefit the world, and by developing itself to change the world, China takes a way of peaceful development, that is, the path of Chinese modernization, instead of the war and plunder way that almost all Western countries rely on.

Chinese modernization has also made it possible for people in other countries, especially in the Third World, to enjoy the convenience of modern technology. China is one of the largest smartphone markets in the world and the largest place in the world to export smartphones. In the Third World, Chinese phones have attracted a large number of users due to their relatively low prices. As a consequence, the Third World enters the information age overnight.

Chinese scientific and technological innovations have also contributed to the harmonious development of people, nature and technology worldwide in a unique way. According to the

International Energy Agency (IEA), China already accounts for more than 70% of global Photovoltaic (PV) module production in 2020. By providing high-quality, low-cost PV products, China is helping third-world countries seize the opportunities brought by globalization and promoting the transformation and upgrading of the global energy structure.

In addition to hardware and infrastructure, Chinese Internet companies have created new patterns of globalization in their active participation in the globalization process, realizing the digitization of communications in dozens of countries by helping the Global South access mobile broadband technology, creating a resonant impact that has shaped peripheral groups into players in the global economy. With Huawei's participation, the proportion of internet users in Mexico has increased from 44% in 2014 to 75% in 2023. Alipay cooperates with M-Pesa, a mobile payment service in Kenya, which has promoted the popularity of local mobile payment. M-Pesa's average daily transactions exceeded \$100 million in 2023, and the number of its users exceeded 20 million. Numerous studies have proven that digital technology and economic growth are positively proportional, with each percentage point increase in mobile broadband penetration in Latin America leading to a 0.2 percentage point increase in GDP growth. In the Global South, Internet access is not a by-product of economic growth, but a driver of it. It is China, not other countries, who is driving the development of digital infrastructure in the Global

South. And China thus also raises its national profile in the Global South.<sup>7</sup>

There have been extensive studies showing that Chinese foreign aid programs not only can promote the industrialization level and economic growth of the recipient countries at the economic level and boost people's confidence in development, but also it can promote communal harmony and mitigate social conflicts. Besides, these foreign aid programs can enhance the governance capacity and government legitimacy of the recipient countries, and help the lagging countries to escape from the financial traps of neo-liberal globalization.

Chinese modernization not only promotes its own development but also allows the achievements of modernization to benefit the developing countries, thus becoming a truly “liberating” globalization—a kind of “universal and inclusive globalization”.

#### **IV. “Liberating Globalization” and the New Form of Human Civilization**

Returning to the question we asked at the beginning, does “de-globalization” really mean a “total regression” of world politics? Fundamentally speaking, objective history as a time process has no definite direction, and all value judgments made about historical development are the product of a particular

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7 David Goldman. “Broadband, Business Formation, and Economic Growth in the Global South: Assessing China’s Impact”. *American Affairs*, vol.7, 2023(04), 7-24.

ideology or view of history. Based on this premise, we believe that the value judgment of “regression” stems from deep-rooted Western-centric cognitive biases. The process of globalization, which is widely discussed in Western academic circles, is essentially the embodiment of the cyclical cycle of the modern world system for nearly 500 years, which is based on historical capitalism and is accompanied by exploitation, oppression, and hierarchical characteristics. Taking this system as a starting point, the criterion of “progress” or “regression” lies in whether the development of the world order conforms to Western logic. When the expansion of historical capitalism is hindered, when the system of single-level hegemony declines, the voices of “stagnation” and “regression” are getting louder and louder.

From a non-Western perspective, we are witnessing the advancement of a new type of globalization. Under the “Community with a Shared Future for Mankind” and the “Belt and Road Initiative”, more and more countries are seeking cooperation in an equal and fair interactive network, and the resulting historical-social system has promoted the world order of unicentricity and hierarchy developing towards a new order of polycentricity and flattening. On the one hand, the capitalist world system continues to fluctuate, and the Western-led global expansion encounters the dilemma of “de-globalization”. On the other hand, this globalization with the theme of “liberation” is growing in the cracks of the world system. The interweaving of

these two structural forces means that the social system has begun a fundamental change. In Wallerstein's view, real social change begins when alternatives emerge from outside the existing social system, rather than emerge from within.<sup>8</sup> In this sense, China's rise is not a repetition of the hegemonic succession within the modern world system, but the creation of a "new form of human civilization" in resolving the fundamental contradictions of world politics.

We believe that the new wave of globalization led by Chinese-style modernization is of historical significance on par with the rise of the West and the Industrial Revolution in the United Kingdom 500 years ago. Different from the liberal imperial order brought to the world by the rise of the West, the new form of human civilization will be common security rather than a "security dilemma", mutual learning among civilizations rather than a clash of civilizations, and shared development rather than beggar-thy-neighbor.

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<sup>8</sup> In Wallerstein's view, it can only be called "social change" when the existing historical system is replaced by a different kind of historical system, as happened in Western Europe when feudalism was replaced by capitalism.



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