

Preface

Rudi Bogni

My perspective on China is that of an investor, trained as an economist. For me and for many others, investing in China has been like shooting at a moving target.

I have no reason to believe that it might be easier for those who observe China from the social, political, and economic perspectives and the impact it has on the rest of the world.

The Chinese Challenge to the Western Order is a most helpful academic contribution to identify the forces behind that target.

My personal exchanges with Chinese officials in the world of finance have been open and constructive and I found them—on the whole—prudent, realistic, and very well informed. At the same time, one of my former colleagues has run into problems for publishing an economic research document, which contained only publicly available information, deemed nevertheless too sensitive for worldwide dissemination. This happened a few years ago, but it could still happen today, if the circumstances warranted it.

I was hesitant and prudent in judging investments in China and very skeptical about fashionable investment theses, but I was not disappointed.

I have had the chance to meet some young Chinese academics and they are very outspoken about politics in their country. I met youngsters who were personally affected by the one-child policy and by the restrictions on internal migration. One of my friends could only recently legalize the presence of his ageing parents in his own city flat.

On an occasional visit with the delegation of the Head of State of a small European country, we were entertained in true imperial style by the Mayor of Shanghai, driven there in a convoy of black Mercedes 1000, a luxury never experienced in the West. Along the way, police officers in sharp suits and dark glasses jumped out of the motorcade to discipline rush hour drivers into giving way.

At Fudan University I had a glimpse of the herculean task of educating the youth of China. The students were as polite as ambassadors and extremely well briefed, but their questions were not what you would have expected in a Western university, or even in a Japanese one.

Despite all the difficulties and inherent contradictions, China is well worth the prize, the prize of understanding it and learning how to deal with it. China will play a major role in shaping our own future.

At a meeting of the Trilateral Commission in Tokyo, I asked Henry Kissinger what was the most pressing objective for the Commission. He responded that it was “to bring China under the tent” as it was done with Japan in the 70s and in the 80s. Indeed, Chinese attendees were most attentive and articulate.

Of the ten highest global risks monitored by Oxford Analytica, a strategic consultancy, whose International Advisory Board I chaired for many years, the first is a sharp slowdown in China’s economy and the eighth is a naval conflict with China. In five of the remaining eight, China plays a major international political role.

At a symposium of Nobel Prize laureates in Lindau, I asked a Chinese professor on his first visit to Europe about his impression. He responded: “the blue sky”. He had not seen such a bright sky since he was a child. China desperately needs clean energy. How that will influence Sino-Russian relations is being played out as this book is going to print.

Equally pivotal is the issue of cyber-security. The sharp border between politics and economics, at least in espionage issues may be doctrine to the West, but it is obviously not so to China. Will the border move? In which direction? What will be the consequences?

With a dismal Gini coefficient, China also urgently needs a welfare system, a safety net. China may just be able to afford it. India may not. Two neighbors living in different social centuries and both armed with nuclear weapons may be a factor of instability that we are not prepared for.

There are many more lingering issues that might come to surface in unexpected ways and at totally inconvenient times. More bridges must be built in order to avoid escalation.

We need to know more about China and the Chinese need to know more about us. This volume is an excellent step in that direction, but we must move further, we need to multiply academic contacts. Re-

member how crucial the relationships between Soviet and US academics were in carrying us safely across the brink of the Cold war!

9

“Prospect Magazine” published an article a few years ago identifying how many of the Tiananmen Square protest students had worked their way into the Chinese establishment, similarly to how 1968 protesters became paid-up members of the European political, media, and economic establishment a few years later.

People change and sometimes they change institutions and policies from the inside, but not always on the trajectory they seemed to be engaged on.

We must be aware of this. It means that China watch must be real-time. It also means that academics who study the field should be encouraged to pursue it with full vigor and attention and given every chance to expand their contacts in China and with the very important Chinese diaspora.