

BACKGROUND

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Anti-China protestors during the recent PNTR campaign.

DANGEROUS LIAISONS:**PROGRESSIVES, THE RIGHT, AND THE
ANTI-CHINA TRADE CAMPAIGN**

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The recent debate in the U.S. over granting Permanent Normal Trading Relations (PNTR) status to China has divided anti-corporate globalization activists in North America from their counterparts in Southern countries. We feel it is useful to reflect on why activists in the South feel alienated by what they see as “single-country bashing” in the North.

In the U.S. a coalition of forces sought to deprive China of PNTR as a means of blocking that country’s entry into the World Trade Organization (WTO). Let us state at the beginning that we do not approve of the free trade paradigm that

underpins PNTR status, and most certainly do not support the WTO. In fact, we believe it would be a mistake for China to join the WTO. But the issue we wish to reflect on in this *Backgrounder* is not the desirability or undesirability of free trade and the WTO, but rather one country, the U.S., taking upon itself to unilaterally decide who is and who is not a legitimate member of the international community.

The China campaign has brought many progressive American groups into an unholy alliance with the Right. It splits the post-Seattle transnational progressive movement that was in the process of forming the most solid alliances in decades. When they hear phrases like “rogue nation” and “Yellow Peril”—which were used in the anti-China campaign—Southern activists are left wondering when their homeland might be the next to be bashed in a racially-tinted outburst from the North.

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**BY WALDEN
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The Real China

China is one of the world's most dynamic economies, growing between seven to ten per cent a year over the past decade. Its ability to leap from abject poverty to decent living conditions in five decades is no mean achievement. That economic dynamism cannot be separated from its social revolution in the late forties and early fifties, which eliminated the worst inequalities in the distribution of land and income and prepared the country for economic take-off when reforms were introduced in the agricultural sector in the late 1970s. The liberation movement decisively wrested control of the national economy from foreign interests. Today China is a strong state, born in revolution, and steeled in several decades of wars both hot and cold.

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Foreign investors can force other governments to accommodate them. That is something they find difficult to do in China, who is prepared to impose restrictions on foreign capital so that it contributes more to development, from creating jobs to actually transferring technology. These are things that Southern activists admire.

What is the "Case" Against China?

China has serious problems, but the record is much more complex than that black and white views of the recent debate. Here we address some of the criticisms leveled at China.

The model of development of outward-oriented growth built on exports to developed country markets of labor-intensive products is not a scheme invented by an evil regime to destroy organized labor. This is the model that has been prescribed for over two decades by the World Bank and other Western-dominated development institu-

tions for all developing countries. When China joined the World Bank in the early eighties, this was the path to development recommended by that institution.

Through the strategic manipulation of aid, loans, and the granting of approval for entry into world capital markets, the Bank pushed export-oriented, labor-intensive manufacturing and discouraged countries from following domestic market-oriented growth based on rising wages and incomes. World Bank policies vis-à-vis China and the Third World are extensions of policies in the U.S., Britain, and other countries in the North, where the Keynesian or Social Democratic path based on rising wages and incomes was foreclosed by the anti-labor, pro-capitalist neoliberal policies of Ronald Reagan, Margaret Thatcher, and their ideological allies.

Development in China has been accompanied by much environmental destruction and must be criticized. But what many American environmentalists forget is that the model of double-digit Gross Domestic Product growth based on resource-intensive, waste-intensive, toxic-intensive production, and unrestrained levels of consumption is one that China and other developing countries have been encouraged to copy from the North. Again, the World Bank and the whole Western economics establishment, which equates development with unchecked levels of consumption, must bear a central part of the blame.

Per capita consumption in China is currently just one tenth of developed countries.¹ The U.S., with five per cent of the world's population, is currently the biggest single source of global climate change, accounting for a quarter of global greenhouse gas emissions. The message of these figures is that unchecked consumption levels in the United States and other Northern countries continue to be the main threat to the global environment.

China is no workers' paradise. Yet it is simplistic to say that workers have no rights, or that the government has, in the manner of a pimp, delivered its workers to transnationals to exploit. There are unions in China. China has the biggest trade union confederation in the world, with 100 million members. Granted, this

confederation is closely linked with the government. But this is also the case in Malaysia, Singapore, Mexico, South Africa, Zimbabwe, and many other countries. Chinese trade unions are not independent from government, but they fight to ensure that workers' demands and concerns are not ignored by government. Their concern for the hundreds of millions of workers in state enterprises has made the Chinese government resist the prescription to radically dismantle the state enterprise sector, despite urging by Chinese neoliberal economists, foreign investors, the business press, and the U.S. government.

Workers in China have neither less protection and nor less access to government than industrial workers who live in right-to-work states in the America South, where non-union shops are encouraged by law. If there is a government that must be targeted by U.S. labor for being anti-labor, it is the American government, which, in collusion with business, has stripped labor of so many of its traditional legal protections and rights.

There is much to be done in terms of bringing genuine democracy and greater respect for human rights to China. Actions like the Tienanmen massacre and the repression of political dissidents must be condemned, in much the same way that Amnesty International severely criticizes the United States for relying on mass incarceration as a principal mechanism of social control.² But China is not a regime devoid of legitimacy like the Burmese military junta. As in the United States and other countries, there is a lot of grumbling in China about government, but this does not indicate lack of legitimacy in the eyes of the public. Foreign observers note that while there might be disaffection, there is also widespread acceptance of the legitimacy of the Chinese government.

The Communist Party still has a monopoly on decision making at the regional and national level, but according to *The New York Times* columnist Thomas Friedman, who is otherwise quite critical of the Chinese leadership, relatively free elections now take place in many of the country's rural villages in an effort to de-concentrate power from Beijing.³

The Communist Party is all too aware of the fact that its continuing in power depends on popular legitimacy. This legitimacy in turn depends on convincing the masses that it is doing an adequate job in balancing four concerns of the population: safeguarding national sovereignty, avoiding political instability, raising people's standard of living, and maintaining the rough tradition of equality inherited from the period of classical socialism. As Asia expert Chalmers Johnson writes, this balancing act has been achieved by an "ideological shift from an all-embracing communism to an all-embracing nationalism [that has] helped to hold Chinese society together, giving it a certain intellectual and emotional energy and stability under the intense pressures of economic transformation."⁴

Demand for democratic participation is certainly growing and should be strongly supported by people outside China. But it is wishful thinking to claim that US-style forms of democratic expression have become the overwhelming desire of the population. An accurate portrayal is provided by the English political philosopher John Gray in his classic work, *False Dawn*, when he says: "China's current regime is undoubtedly transitional, but rather than moving towards 'democratic capitalism,' it is evolving from the western, Soviet institutions of the past into a modern state more suited to Chinese traditions, needs, and circumstances."⁵

The Anti-PNTR Position: Wrong and Dangerous

PNTR is the standard tariff treatment that the United States has given nearly all its trading partners, with the exception of China, Afghanistan, Serbia-Montenegro, Cuba, Laos, North Korea, and Vietnam. Granting of PNTR is seen as a key step in China's full accession to the World Trade Organization (WTO).

Organized labor was at the center of the coalition against granting PNTR to China. This coalition included Right wing groups and personalities like Pat Buchanan, the old anti-China lobby linked to the anti-Communist Kuomintang Party in Taiwan, protectionist US business groups, and some progressive environmentalist, human rights, and citizens' rights groups. The intention

of this Right-Left coalition is to use trade sanctions to influence China's economic and political behavior as well as to make it difficult for China to enter the WTO.

For Southern activists, there are fundamental problems with the position of this alliance, many of whose members are, without doubt, acting out of the best intentions.

First, the anti-China trade campaign is seen as yet another manifestation of American unilateralism. Like many in the anti-PNTR coalition, we do not think that China will benefit from WTO membership. But what is at issue here is Washington's unilateral moves to determine who is to be a legitimate member of the international economic community—in this case, who is qualified to join and enjoy full membership rights in the WTO.

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Second, the anti-PNTR campaign sounds dishonest. It invokes concern about the rights of Chinese workers and the rights of the Chinese people, but its main objective is to protect American jobs against cheap imports from China. This is seen as cloaking self-interest in altruistic rhetoric. The campaign should have more openly acknowledged that its overriding goal was to protect jobs, which is a legitimate concern and goal. What it should be working for are fair or managed trade solutions, which would seek to balance the need of American workers to protect their jobs while allowing the market access that allows workers in other countries to keep their jobs and their countries to sustain a certain level of growth while they move to change their development model.⁶ To us, the anti-China rhetoric of the campaign delegitimized the objective of protecting jobs—which is a central social and economic right—by concealing it behind human rights concerns.

China is not the enemy. It is a prisoner of a global system of rules and institutions that allows transnational corporations to take advantage of the differential wage levels of counties at different levels of development to increase their profits, destabilize the global environment by generalizing an export-oriented, high-consumption model of development, and concentrate global income in fewer and fewer hands.

Not granting China PNTR does not affect the functioning of this global system. Transnational corporations can simply take more seriously the option of moving to Indonesia, Mauritius, or Mexico, where their ability to exact concessions is greater than in China, which can better stand up to foreign interests than the weaker governments of these countries. We want to target this global system, instead of serving up China as a proxy for it.

A Positive Agenda

Progressives should be developing a position on global economic relations that avoids both the free trade paradigm that underlies the PNTR and the unilateralist paradigm of the anti-China forces. The strategic aim of such a campaign must be tighter regulation, if not replacement, of the model of corporate-led free market development that seeks to do away with social and state restrictions on the mobility of capital at the expense of labor. In its place must be established a system of genuine international cooperation and looser global economic integration, allowing countries to follow paths of national and regional development that make the domestic market and regional markets rather than the global market the engine of growth, development, and job creation.

This means support for measures of asset and income redistribution to create the purchasing power that will make domestic markets viable. It means support for trade measures and capital controls that will give countries more control over their trade and finance so that commodity and capital flows become less disruptive and destabilizing. It means support for regional integration or regional economic union among the developing countries as an alternative to indiscriminate globalization.

A key element in this campaign is the abolition of the International Monetary Fund, the World Bank, and the WTO, and their replacement with a pluralistic system of institutions that complement but at the same time check and balance one another, thus giving the developing countries the space to pursue their own paths to development.

Another key thrust by civil society groups in the North and the South should be to pressure the U.S., China, and all other governments to ratify and implement all conventions of the International Labor Organization (ILO) and give the ILO more effective authority to monitor, supervise, and adjudicate implementation of these conventions. This campaign must be part of a broader effort to support the evolution of

stronger and more independent labor unions in China, the American South, and elsewhere, in a spirit of real workers' solidarity.

This social and economic program must be tied to a strategy for protecting the global environment that eschews trade sanctions as an approach, and puts the emphasis on promoting sustainable development models in place of the export-led, high-consumption development model. We must push the adoption of environmental codes that put the onus on transnational corporations search for zero cost environmental regimes—and not on pitting one country against another.

This approach must stress changing the production and consumption behavior and levels in the North that are by far the biggest source of environmental destabilization.

Finally, a positive agenda must have as a central element ways in which civil society groups in the North can work constructively with people's movements in China, the United States, and other "democratic deficit" countries, to support the expansion of democratic space. While we must be uncompromising in denouncing acts of repression like Tienanmen Square and Washington's use of mass incarceration as a tool of social control, we must avoid imposing superficial forms of Western procedural democracy on others, and hew to the principle that it is the people in each country who must take the lead in building democracy according to their traditions, cultures and aspirations.

Notes

1. Anil Agarwal, Sunita Narain, and Anju Sharma, eds., *Green Politics* (New Delhi: Center for Science and Environment, 2000), pg. 108.
2. Amnesty International, *United States of America: Rights for All* (London: Amnesty International Publications, 1998).
3. Thomas Friedman, *The Lexus and the Olive Tree* (New York: Farrar, Straus Giroux, 1999), pg. 50.
4. Chalmers Johnson, *Blowback: The Costs and Consequences of American Empire* (New York: Metropolitan Books, 2000), pg. 50.
5. John Gray, *False Dawn* (New York: New Press, 1998), pp. 189-190.
6. For more on managed trade, see, among others, Johnson, pg. 174.

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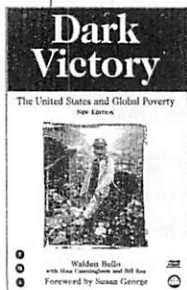
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