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China, the « Global South » and the growing role of geopolitics

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When China's economic reforms began in late 1970's: underdeveloped and closed agrarian economy.

Context:

- USA is a dominant leader in designing and enforcing the economic rules,
- The US dollar is the corner stone of the International Monetary system,
- Three International organization, WB, IMF and WTO are responsible for maintaining international order.

⇒ **China has been a major beneficiary of the globalization process, its development model largely depending on exports.**

2007-2008 crisis: the legitimacy of an international order under the US influence called into question by China.

China began to speak about the problem of dependency and the common interest of Global South.

In the same time, and gradually, it became the second world economy and an innovative one; but it needs South's support in a lot of fields.

There is a complexification of international relationships, growing protectionism and huge conflicts between the two leading countries.

This led the Secretary-General of the United Nations, Antonio Guterres to speak of the “**dysfunctional family**” to describe the world today.

This is the context in which China, whose main trade partners are in the North, steps up its efforts to become the leader of the Global South.

I-What is « Global South »: the facts and the Chinese storytelling

II-The key objectives of the Chinese Regime

III-China's strategy until the financial crisis

IV-International Ambitions in a New International Order

V-Conclusion: Politics, geoeconomics and 2049's deadline

I-What is « Global South »: the facts and the Chinese storytelling

The term is considered to be used for the first time in 1969, by defining the Vietnam war as “a **domination of the North on the Global South**” (C.Oglesby, 1969).

1980: The **Brandt report** was entitled: North-South: A program for Survival. the opposition between North and South became usual after the USSR collapse.

2003: UNDP Project: “Forging a Global South” is described as “a new paradigm development” that will allow the South to command its own future.

2024: the **World Bank report** underlined the growing gap between North and South.

It is a group of heterogenous countries:

- from a **geographical** point of view, most of them are in the South but some are in the North (China, India);
- from an **economic point** of view: some are the poorest countries in the world but some are middle-income countries; of course, they are often poorer than in the North, and suffer **from dependence on developed countries**;
- contrary to a popular belief, the frontier is not between **democracies** and authoritarian regimes: The most populous democracies in the world: India, Indonesia, South Africa, Brazil, Mexico, Argentina ... are in the Global South.
- the only way to try understanding the Global South is the **geopolitical point of view**, with a strong role given to history.

Countries from the South often faced a decolonization process: Africa, large part of Asia and Caribbean islands. It happened earlier in Latin America.

They want to increase their role in the world governance and don't choose one country over another.

Even if for historical reasons, they often show their opposition to the rich and powerful countries of the North.

Today, it is **a group united by geopolitical reasons**, sometimes defined as “active non-aligned”; **they set their policies in line with problems as they arise and with their own best interests (Heine, 2023).**

Since 1945, the global order was founded on rules, mainly defined by the US which continue to control most of these international organizations.

But these rules have been circumvented by the very people who had made them.

In 2016, D.Drump is elected, the Brexit is decided.

The United States withdrew from the Trans-Pacific Partnership, the Paris Agreement on Climate Change and the WHO in the midst of a pandemic.

It paralyzed the WTO by refusing to appoint judges to the Dispute Settlement Body.

In 2021, the reluctance of developed countries to supply vaccines to countries in the South reinforced the image of a North focused on its own interests.

China benefited from this situation (especially with “vaccine diplomacy”).

Resentment was exacerbated in many southern countries, with the idea that there were “double standards” in this international order.

No one has forgotten that the US invasion of Iraq in 2003 was carried out without the authorization of the UN Security Council, that war crimes were committed by the army and by private American militias.

Now, the Global South became a geopolitical reality, although proximities vary depending on the subject.

Ex: China is India's biggest trading partner, while conflicts on the Himalayan border between the 2 countries are often violent, and India is notoriously close to the USA.

Moreover, when the United Nations voted to condemn Russia's invasion of Ukraine, India abstained, as did China.

This desire to stand out from the countries of the North has taken concrete form with the creation of the BRICS.

The last BRICS Summit in Johannesburg showed how this group won a strong importance, with 20 countries asking to join; only 6 has been accepted. All together, they represent 46% of the world population, against 10% for the G7 members (Heine, 2023).

This reflects an accelerating change in the global balance of economic and diplomatic power.

It illustrates the persistent failure of the post World-War II powers, gathered around the G7, to move beyond what many in the **Global South** see as a **condescending colonial relationship** with what was called the Third World (Dodwell, 2024).

For China, strong relationships with the Global South are fundamental to its future role in the international governance.

China must secure the support of third countries if it is to realize its geopolitical expansion.

From the **economic point of view**, China needs to secure its supplies and markets.

From the **political one**, it needs to appear as an alternative to the western countries, credible enough to benefit from their support when voting at the United Nations and share with them **the One China principle, which is at the heart of China's foreign policy.**

As Xi Jinping forcefully reminded us at the last Sino-African forum in Beijing in early September 2024. **“China and Africa's joint quest for modernization will bring a wave of progress to the entire Global South.”**

He also remained that **“The Western path has imposed profound suffering on developing countries”**.

China's storytelling

-**First**, China can be a **model** for developing economies.

2004: Is there a Beijing consensus (Bird, Mandilaras, and Poper, 2012)?

No, but some lessons (Ravallion, 2009)

One of the main conclusions of “the large academic literature on this topic is that the distinctiveness of Chinese institutions and especially the dominance of the Communist Party, means transferability of successful experience is difficult” (Naughton, 2016).

Nevertheless, in 2017, Xi Jinping said that China's approach “**offers a new option for other countries who want to speed up their development while preserving their independence**”

Second: China is a non-colonial country, suffered from colonialism and pays much respect to the sovereignty of nations.

After 1949 and until 1990's, the goal of CCP was a break with the imperial past, make the revolution and a support given to the countries looking for a revolution.

After Tiananmen events and at the beginning of the 1990's, **the storytelling changed**: the role of the CCP is not to bury a disavowed past but **restore a glorious one** (Louzon, 2024). In this new story, China's role in globalization is supposed to be virtuous, it doesn't impose its own model, offering a win-win relationship.

Ex: Zheng He's story.

In this storytelling, the **humiliations** suffered by China allowed to remind it has itself been a **colony**: during the **19th century** with the treaties with Great Britain, France, Germany... and during the **20th century** with the war with Japan. This is true and now **used to create a common story for the whole population.**

As a global power, China must tell a story to the rest of the world. The countries from the Global south are very receptive to this discourse.

Already at the Bandung Conference in 1955, premier Zhou Enlai (China's foreign minister) put forward the principle **“seeking common ground while shelving differences”**.

Ex: Relationships with Africa

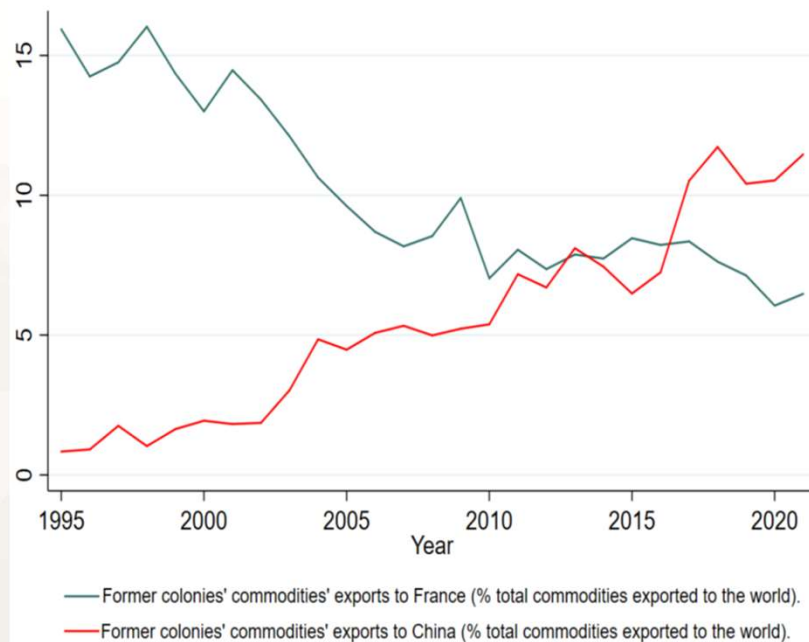
For more than 6 decades, Beijing has been constantly present and unjudgmental. This consistency has earned China significant soft power in Africa but also at the United Nations.

Even if they are not naive about China, African countries are very receptive to this discourse.

They support Xi Jinping's speech explaining that they **have all suffered in the past** under the conditions imposed by the West on colonized peoples, and that this justifies considering a **common future**.

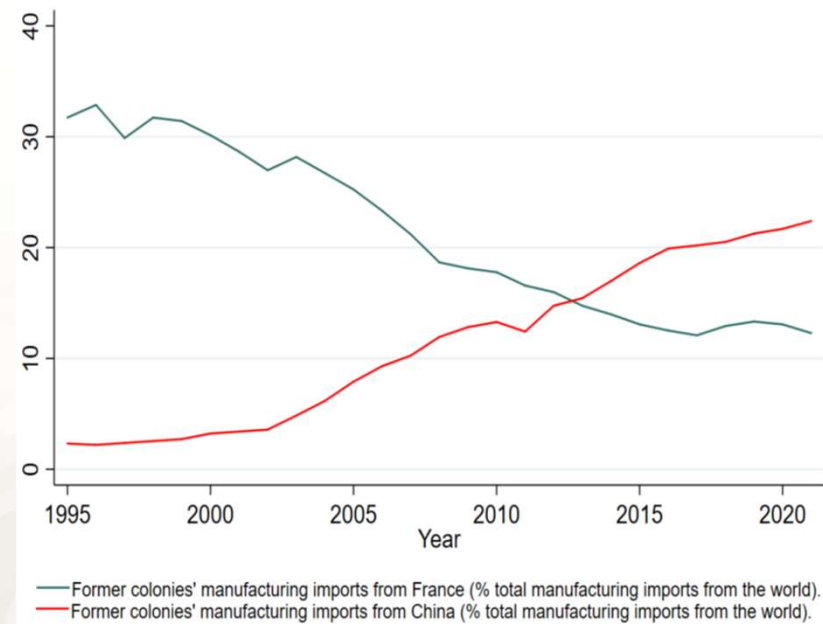
Commodities exports and Manufacturing imports between China, France and former French colonies (Kaba, Renard, 2024)

Commodities' exports from France former colonies to France and China (1995-2021)



Data from UNCTAD database. Authors' construction.

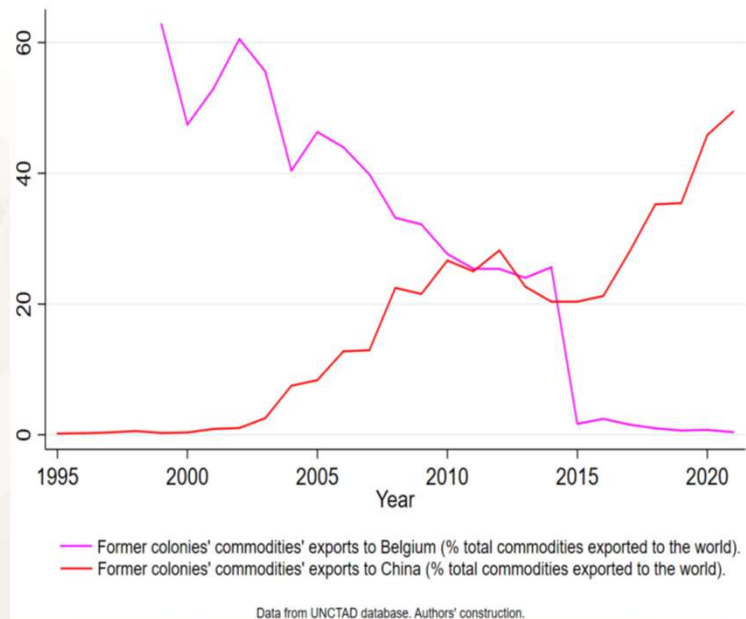
Manufacturing imports from France and China to France former colonies (1995-2021)



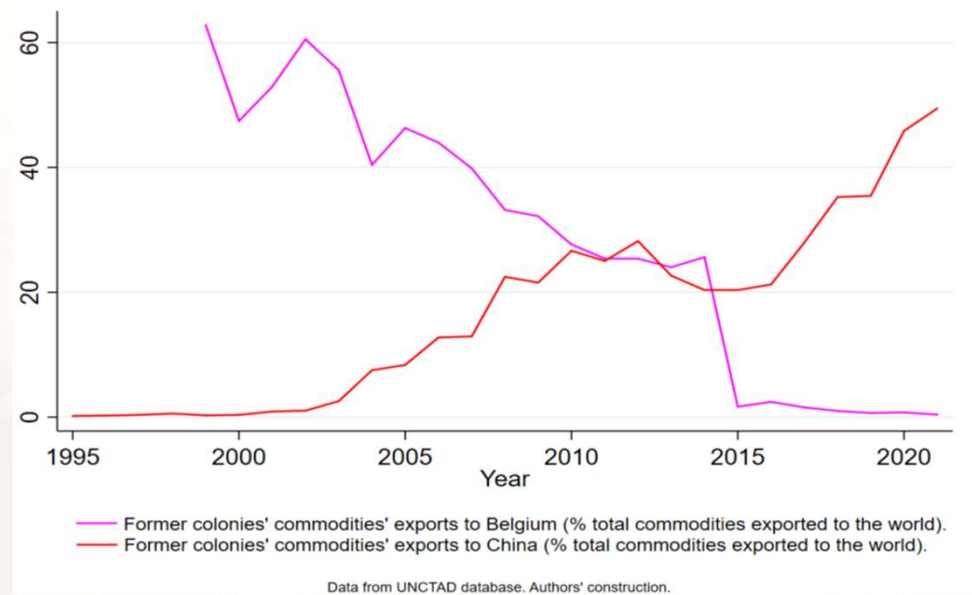
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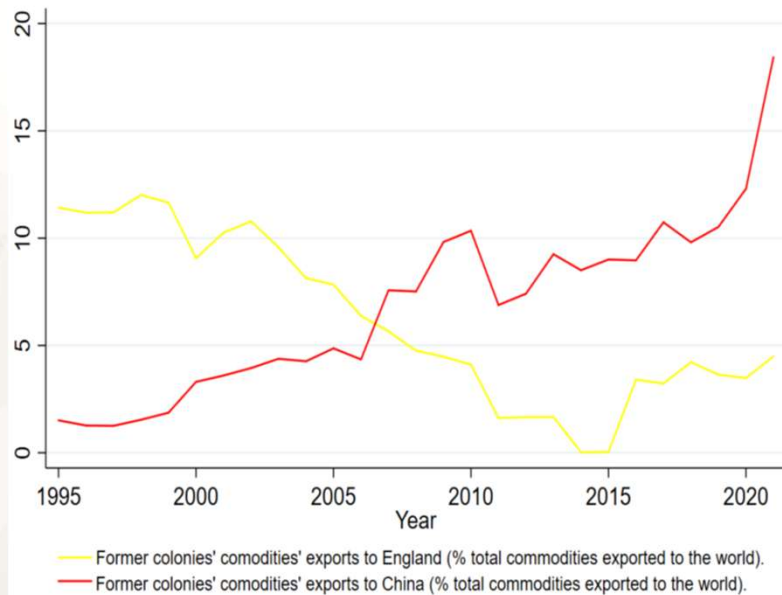


Commodities exports from Belgium former colonies to Belgium and China (1995-2021)



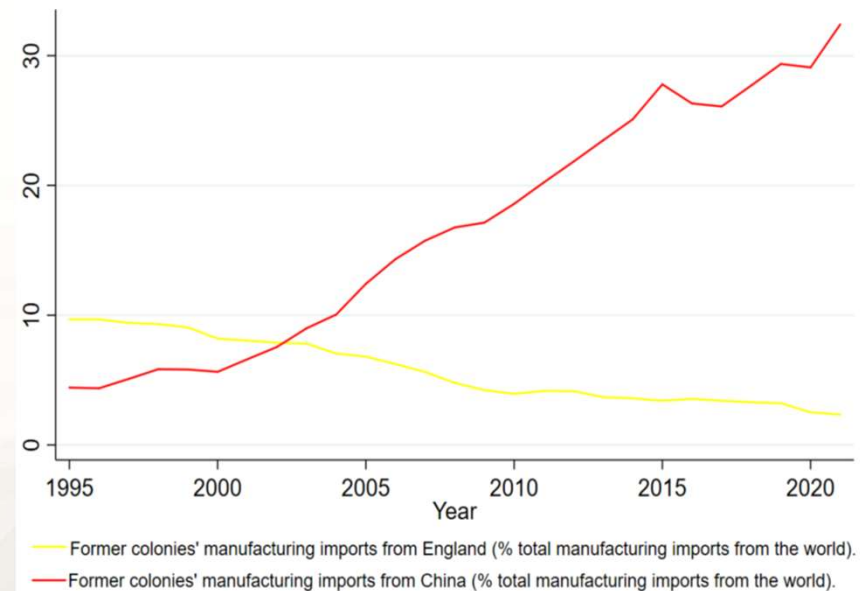
Commodities exports and Manufacturing imports between China, England and former British colonies (Kaba, Renard, 2024)

Commodities' exports from England former colonies to England and China (1995-2021)



Data from UNCTAD database. Authors' construction.

Manufacturing imports from England and China to England former colonies (1995-2021)



Data from UNCTAD database. Authors' construction.

The China's storytelling always has a **political or even ethical dimension**.

Official Chinese discourse focuses on this win-win partnership for the countries of the South, implying that what's good for **China is good for the rest of the world**.

It represents an alternative to the West for developing and emerging economies.

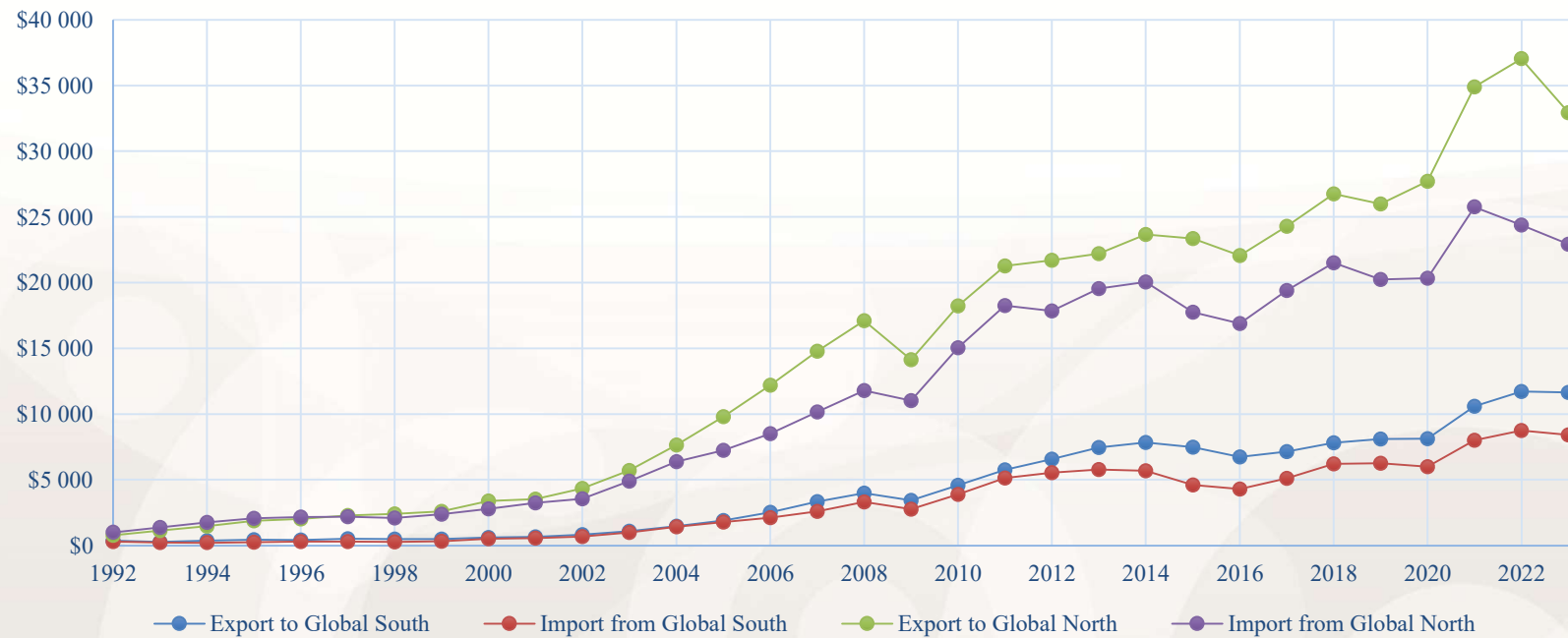
Nevertheless, the largest share of China's trade and investment is with developed economies.

On the contrary of the cold war period where trade with nonaligned countries declined by around 40%, currently, we do not observe any reduction in trade and investment flows involving nonaligned countries (Gopinath et.al., 2024).

Another difference is that nonaligned economies play the role of 'connector' countries as their exports are substituting for declining Chinese imports by the US and their imports from China are increasing.

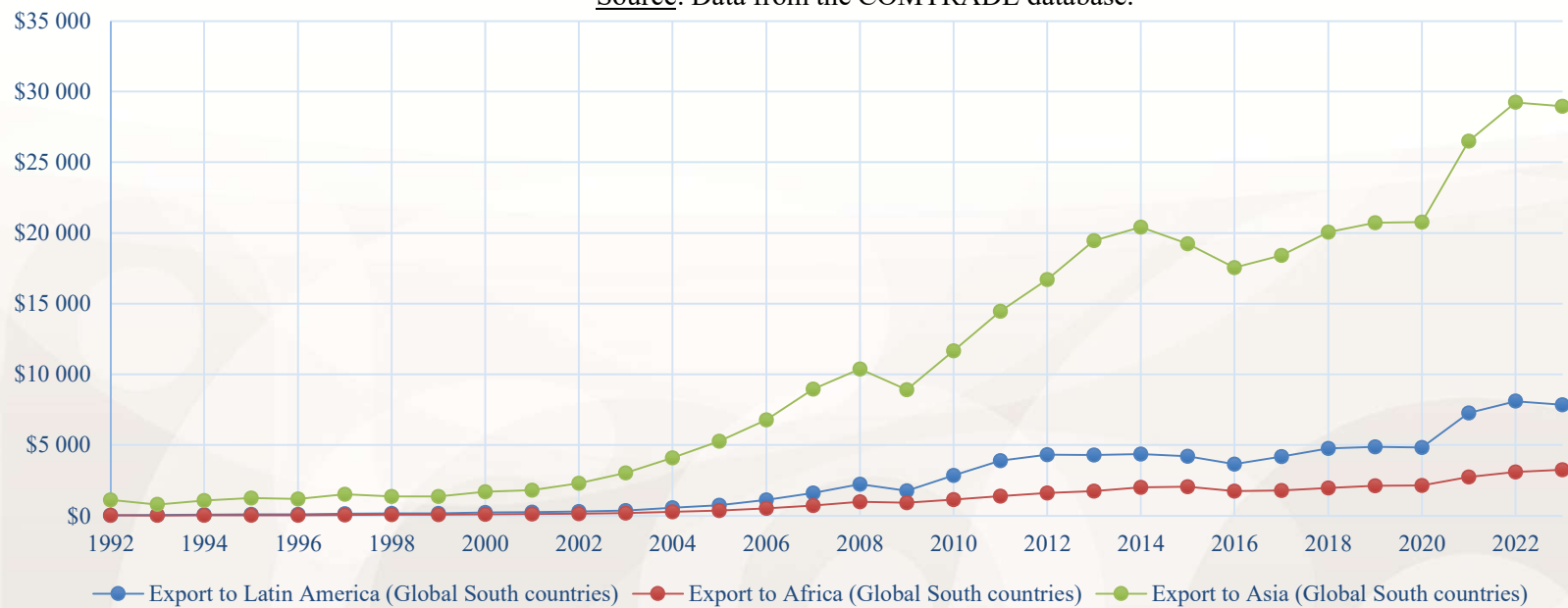
Graph 1: Evolution of Global South and Global North Imports and Exports with China in Million USD (1992-2023) (Ouedraogo, Renard, 2024)

Source: Data from the COMTRADE database.



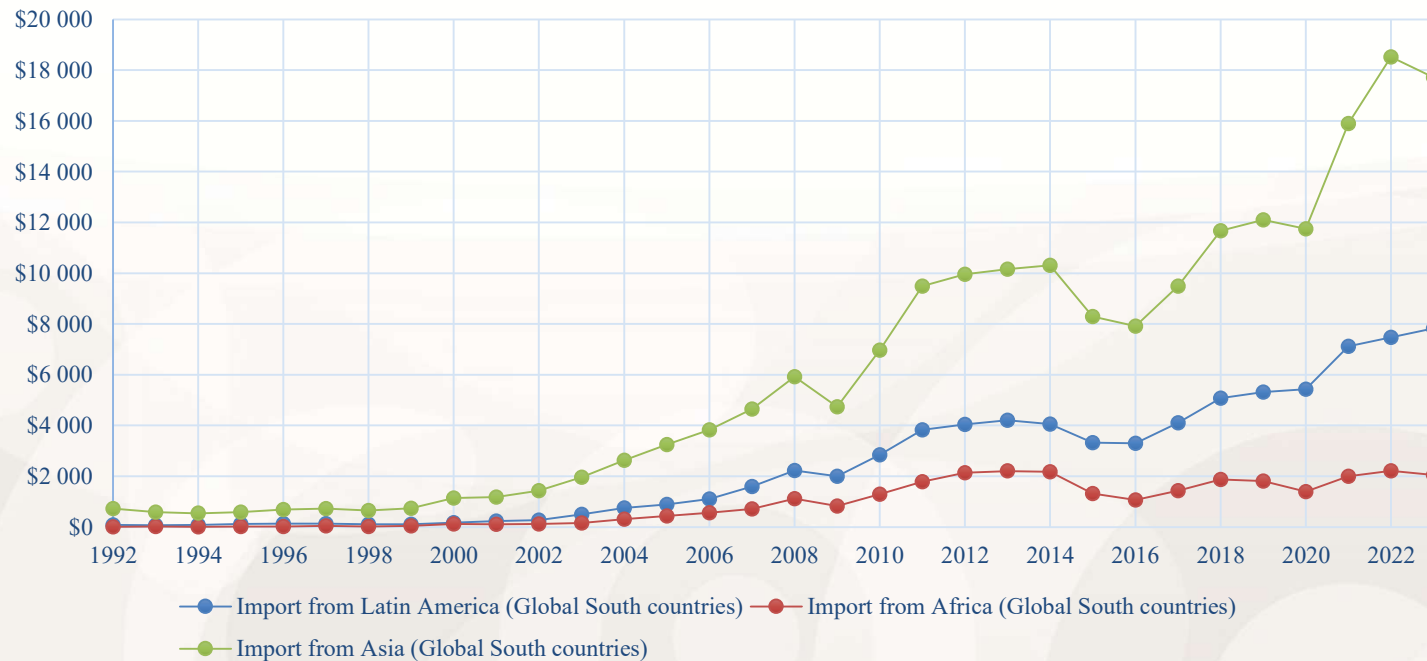
Graph 2: Evolution of China's Exports to Latin America, Asia and Africa (Global South Countries) in Million USD (1992-2023) (Ouedraogo, Renard, 2024)

Source: Data from the COMTRADE database.



Graph 3: Evolution of China's Imports from Latin America, Asia, and Africa (Global South Countries) in Million USD (1992-2023) (Ouedraogo, Renard, 2024)

Source: Data from the COMTRADE database.



II-The key objectives of the Chinese Regime

The Key objective of Deng Xiaoping was to **keep the Chinese Communist Party in Power**, the same as all the chairmen since 1949. The CCP has always been in charge of the fundamental trajectories of the economy throughout the PRC's history.

1979: no coherent strategy for economic development but **a clear idea of what China needed to transition *from***. (Breslin and Gabusi, 2024).

What Deng knew was that the **Cultural revolution had destroyed** the country's social capital, and that the CCP was striving to gain a new legitimacy. It was implicitly acknowledged by the CCP in its 1981 "Resolution on Party History" condemning Mao's "grave left errors".

To restore the Party's legitimacy, it was necessary to **increase productivity** and to **raise the standards of living of the population**. **Economic modernization and growth became an absolute priority.**

Deng insisted on the link between incentives, delegation of authority and individual motivation (Naughton, 2008).

From his personal experience in the 1960's, Deng learnt **two lessons**:

.economic suffering would bring politically dangerous consequences for the CCP's legitimacy,

.and market incentives could set off powerful dynamics of growth.

He decided to try again, without dismantling the command system of the economy and the CCP monopoly of power.

State-institutions were modernized but bureaucracy was strengthened and party-state capacities enhanced.

His will to implement a more efficient economic system was accompanied by serious concerns about the *consequences of any transition on unemployment and social stability*; therefore, the **willingness to use market forces was constrained by the necessity to control them.**

For Deng, markets incentives were new instruments that could be used even in a socialist country (as in the 1960's, whatever the cat is white or black...).

He followed a **capitalist logic** but a **contingent capitalism**, as **Deng never put into question the supremacy of the Party.**

This is “**capitalism with Chinese characteristics**”, a form of **developmental state**, in line with the experiences of Japan, Taiwan and Korea, which were some sorts of models for China.

China began its transition under an authoritarian and hierarchical political system. This system survived until today instead fundamental changes in China's economy and society (Naughton, 2008).

From 1978 to 1993, power at the top was **fragmented**. Then the CCP recreate a **system of political patronage** to retain power and survive the economic transition process.

In 1991, The USSR regime collapsed and this has become something of an **obsession** for successive governments in Beijing. Challenging the CCP remains a red line today, and **its survival is the primary objective of all those in power**.

Opening the system was politically dangerous, which explains the “gradualist” character of the reforms; and **the economic success of gradualism in turn has been a precondition for the political resilience of the Chinese Communist Party**.

In **September 1992**, the *14th Communist Party Congress* adopted the goal of “*a socialist market economy*”. The sort of social pact proposed to the population was: **more economic freedom in exchange for absolute loyalty to CCP rules and guidance**.

1993: Jiang Zemin promoted growth at all costs, but not at the expense of the CCP's monopoly.

The same year, the *Third Plenum of the 14th Congress* announced **comprehensive reforms**, in particular **foreign trade and foreign exchange reforms**.

2002: Hu Jintao faced economic imbalances: overinvestment, indebtedness and inequality; he addressed these problems with a kind of rush forward to maintain the growth rate without implementing the necessary reforms.

Wen Jiabao (Prime minister) told his successor, Li Keqiang, that the economy was **“unbalanced, uncoordinated and unsustainable”**.

2013: At the *Third Plenum of the 18th Congress*, **Xi Jinping announced that market would play a decisive role in China's future evolution of the economy** but in the same time, **restate the “dominance” of the public sector**.

Xi's area made officially the **“comprehensive national security”** the heart of his strategy.

Obviously, **it is a combination of state and market** that has driven China's growth but **the boundaries have always been set by the CCP.**

Since the beginning of the reforms, what to do if markets are needed for growth but move China to a direction not compatible with social stability remains an **unsolved question.**

Deng, Jiang, Hu and Xi all share the view that the markets must serve China's economic catching up and reinforce the Party's legitimacy.

It is the same for the international relationships, the strategy being discreet before 2009 and much more conqueror after.

It is on this basis that the China's political strategy, in particular in international relationships, can be understood.

III-China's strategy until the financial crisis

1-Building the institutional infrastructures

From **1978 to 2003**, most of the efforts have been concentrated on **building the institutional infrastructure of a market economy**.

Market oriented system, openness, gradual and incremental policy.

From the outset of the reforms, China's strategy was essentially one of **catching up with the priority given to industrial production, economic growth being accompanied by technological upgrading**.

It was clear that China needed foreign technology and foreign products. Since the beginning of the 1980's, its international strategy was supposed to serve its domestic objectives.

Starting point: **Coastal development strategy**

Use of history (ports, closeness with HK, Macau and Taiwan)

« New industrial Countries » strategy => Strong integration in Asian value chains.

Since 1978 to the beginning of the 2000's, one of the **objectives of openness** was to compensate the low quality of domestic products thanks to imports and processing trade, and to attract FDI to sustain **technological transfers**.

China's leaders have always attached great importance to technological progress, and **as early as 1990**, the **government declared that rare earths were strategic and needed to be protected**.

Gradually, the markets took place out of the plan;
in 1978, 100% of exports were managed by the plan and
in 1992, only 15%, thanks to the new institutional organization (Harrod, 1995,
Renard, 2018).

The “Go out policy” has been announced in 1999 and the authorities began a very active **economic diplomacy in 2000**, especially in African countries. Chinese investment abroad increased.

China reorganized the World Economy (Eichengreen and Tong, 2006), becoming the World’s factory.

From the early **2000s**, **wages began to increase** and a number of companies have been encouraged **to relocate** their production to neighboring developing countries.

It is time for developing a more assertive and aggressive international strategy

2-Developmental state: industrial policy and innovation

Hu Jintao (2003): dependence on foreign technology unsustainable => concept of “indigenous innovation”.

Very ambitious Plan: **“Medium- and long-term program for science and technology”** covering the 2006-2020 period, with the aim of making China an innovative power by 2020.

For this reason, **the government has strongly re-engaged in direct economic intervention**

2006 was a turning point, when Wen Jiabao initiated a techno-industrial policy which then became the **most important component of economic development policy after the Global financial crisis.**

Goals : building a **national innovation system** to be less dependent on foreign technology and to **increase productivity**

Sixteen megaprojects: control of water pollution, high-end general microchips, basic software, space program, “core electronic components”, next generation broadband wireless mobile communication...

Start of a long series of plans **to make China an innovative power.**

Strong state support and competition between companies had enabled China to achieve its goal of becoming an innovative power in new sectors, particularly those linked to decarbonizing the economy.

In 2007-2008, the financial crisis resulted in a slowdown in global demand. To offset its impact: **stimulus plan** that has strongly supported the development of **emerging industries**, the projects being implemented by the local governments.

2010: “Strategic emerging industries” Project: New energies: solar energy, wind turbines, biomass biotechnologies, high-level precision machinery, electric vehicles, new-generation information technologies...

The authorities knew that it was not possible to catch up industrial countries on traditional products, and invested a lot in these emerging industries, a strong role being given to State-enterprises.

2015: Presentation of « **China 2025** »: aim to transform China from a world factory into a major industrial and technological power.

The objectives reflect the scope of the project: to increase research and innovation, boost production of high value-added goods, limit foreign dependence in cutting-edge technologies, improve energy efficiency and create national champions.

=> Beginning of the tensions with the US after Trump's election.

2015-2016: objective of investing in **Artificial Intelligence** because of its huge potential economic effects on economic worldwide.

2017: the Development Plan of the next generation of AI for 2016-2023 is published.

It is a **Strategic and key sector in which China wants to be the leader in 2049.**

2020: « **China Standard 2035** » **Plan:** discreetly announced and little known; **objective of defining international standards.**

In 2021, the 14th plan reflects conversion to qualitative growth and **emphasizes the role of innovation as the engine of growth and the new foundation of the international economy.**

The GDP growth is no more the only one policy objective.

Several objectives

China needs to make its standards prevail and to export its know-how.

So it needs the support of the countries of the South.

“China’s leadership has begun to demand a greater international “voice” and a more prominent place for China in the global system” (Naughton, 2021). That will imply resilience and adaptability of the world system.

IV-International ambitions in a new international order

The financial crisis and the resulting weakening of Western economies has enabled China to assert a **new position in the world order**, underlining its newfound power and asserting its desire to play a role in global governance.

In **2009 in Davos, Wen Jiabao deplors the unsustainability of the US economic model and criticizes the role of major financial institutions and American rating agencies for their role in the subprime crisis.**

The same year, China has put **the internationalization of its currency** on its agenda.

Over the years, China has taken initiatives to serve its own interests while supporting the promotion of the Global South.

According to the Lowry Institute, the average annual visit to China and the US by world leaders changed dramatically in favor of China between 2010 and 2019:

According to the Lowry Institute, the average annual visit to China and the US by world leaders changed dramatically in favor of China between 2010 and 2019:

African leaders visited China 172 times (83 for the US)

Asian leaders visited China 287 times (90 for the US)

South American leaders visited China 30 times (25 times for the US)

(Liu, 2022).

In 2013, Xi Jinping launched the most important foreign policy Initiative: The Belt and Road Initiative.

This rather **vague project** is presented as **ambitious** and as a set of **shared interests, in the spirit of Bandung**.

It is China's greatest international economic ambition, covering sub regions in Asia, Europe and Africa, which account for 64% of the world population and 30% of the world GDP (Huang, 2016).

1-BRI is an important attempt by China to sustain its economic growth, by exploring new forms of international economic cooperation with new partners;
2-China also intends to assert greater international influence and contribute to the international economic architecture, by incorporating some of its own experiences. As an emerging power, China has shown willingness in taking greater responsibilities in international economic governance. However, reforms in international institutions are difficult and slow.

For Putting China back at the heart of the world stage, the first action has been **towards international institutions.**

By 2 ways: increase its power in the existing ones and create new ones.

Fist, China has increased its engagements with global institutions, motivated largely by its growing integration and continuing reliance on some of the main institutions of global diplomacy (Chin and Thakur, 2010):

Although China replaced **Taiwan** at the United Nations in **1971** (thanks to African countries) and is a member of the **security council**, its weight in governance has remained low during some years.

Now China is at the head of **3 UN's agencies**: The International Civil Aviation Organization (ICAO), The Food and Agriculture Organization (FAO), and the International Telecommunication Union (ITU), **more than any other country**. It benefited from a string support from African countries.

China became a member of **IMF and World Bank** in **1980** with a quota of 3,7%. In 2010, the emerging countries asked for a revision of IMF quotas and China has been the main winner with an increase to 6,4% becoming the 3rd largest shareholder behind the US and Japan.

Second, the creation of two institutions, with two different approaches to international cooperation:

- the **New Development Bank**, with no veto right, equal participation in the decision-making processes; it has been created by the BRICS + some developing countries; it's an example of South-South cooperation and an alternative to the western institutions;
- the **Asian Infrastructure Development Bank** is built on the same model as the Bretton-Woods institutions; Beijing has a veto right, and the share of Asian countries cannot be less than 75%. It is thus integrated into the existing system and adopts the traditional organization of multilateral banks. It has been a **great success from the very start.**

Therefore, the Chinese government is interested in playing more important roles **in reshaping the global economic system through BRI and these new institutions.**

3-Infrastructure development is a crucial element of BRI but the Initiative is much more comprehensive in scope, **covering policy dialogue, infrastructure connectivity, unimpeded trade, financial support and people-to-people exchange.** Given China's experience in infrastructure, a large number of projects have already been implemented, including high-speed railroads, oil and gas pipelines and telecom and electricity links.

4- The Initiative is devised to reconfigure China's external sector in order to continue its strong growth. It combines soft power and hard power. It is supposed to provide important opportunities in both **creating a new economic pillar** and **contributing new policy thinking for economic development.**

In fact, BRI is supposed to help China to solve some of its structural problems:

- provide **new markets opportunities** for Chinese companies, and help them to dispose of their overcapacity, particularly in cement and steel;
- **circumvent rising wage costs** by investing in lower-cost labor countries in Asia and Africa;
- **support and pursue the internationalization of companies**, particularly in sectors in which they are highly competitive, such as transport infrastructures and ports, which are highly strategic and can be used for both civilian and military purposes;
- **securing supply routes, particularly for energy** (Investments in Gwadar, Pakistan, Oman Gulf...). This also explains investments in container ports. Securing the seas is one of the objectives of this initiative. China continues to expand its merchant and military fleet, and has become a major maritime power.

- Securing supplies of raw materials:** oil, nickel, iron, copper...
- open up and better control the western provinces,** while developing links with Central Europe
- Deepen the internationalization of its currency**

With BRI, China wants to re-invent its geopolitical positioning, offering the Global South an alternative to the USA.

It is not always a success, there're a lot of criticisms (debt trap, opacity of contracts ...).

Nevertheless, the project is highly flexible and has evolved considerably over time, particularly as China's objectives have changed.

Its scope is expanding, for example with projects in Central Europe and the Middle East.

Regarding **the internationalization of the RMB**, the aim is not to replace the US dollar as the main reserve currency but to propose a new financial system with a basket of currencies where China should be the leader of the Global South.

This process cannot be complete for several reasons, especially because the capital account is not liberalized.

The creation of a BRICS common currency has also been proposed.

Nevertheless, the role of the Chinese currency has been growing, particularly in Asia and Africa.

In the first stage, international use of the RMB was encouraged in trade between domestic and foreign firms, with the expectation that its use in financial transactions would follow.

Since 2010, China has experimented with **RMB payments for imports and exports**, first with 365 firms and then with all of them. In **November 2010**, Beijing and **Moscow** agreed to pay their trade in their own money.

2018 sees the launch of RMB-denominated **oil futures contracts**.

China is increasing **swaps** notably with central banks in emerging countries, (but not only) which is helping to diversify the composition of its foreign exchange reserves.

The integration of the Renminbi in the **Special Drawing Rights in 2016** by the IMF Executive board has been a new step in this process.

To support this development, China has set up an **interbank payment system** (CIPS, China International Payment System), presented as an alternative to SWIFT.

It is currently **little used**. **Its main purpose is to avoid US sanctions and the risks arising from the extra-territoriality of the dollar**. This is also increasingly the wish of many countries in the South.

Today, only almost **4% of international exchanges** are paid in RMB but its share increased a lot: from 1,5 at the beginning of 2018 to 3,6 in October 2023 (SWIFT).

This trend has been re-enforced by the commodities and energy trade between China and some countries of the Global South.

-in 2023, with United Arab Emirates: 65000 tons of liquefied natural gas has been exported to China, and paid in RMB.

-in 2024, with Saudi Arabia: officials expressed willingness to accept the Chinese Yuan as payment for crude oil.

Since **2014**, the Chinese authorities have also **liberalized their domestic financial markets**.

These reforms have led to a sharp rise in foreign ownership of Chinese assets by foreign investors. As a result, foreign holdings in domestic Chinese bonds and equities quintupled between the end of 2016 and the end of 2021 (Macaire, 2024).

But there are many obstacles to this internationalization, not least because of certain weaknesses.

China has difficulty in adopting international standards, for example when it comes to its financial commitments abroad, which remain opaque despite the fact that it has become the world's biggest donor.

Its status of global power is also illustrated by its participation to some institutions as **Shanghai Cooperation organization**, a security and defense organization covering Eurasian countries.

And to some treaties like the **Regional Comprehensive Economic Partnership (RCEP)**, reinforcing China's central position in Asia.

The last **FOFAC** (Forum of China-Africa Cooperation) meeting in Beijing in September 2024 has been a fitting showcase of Global South's rise.

More than 50 Africa's leaders came to Beijing, reflecting the change in the global balance of economic and diplomatic power and the will to find an alternative to the international organizations and the former colonial powers.

with another geopolitical dimension: all African countries except one (Eswatini) recognize the PRC as the only **One China**.

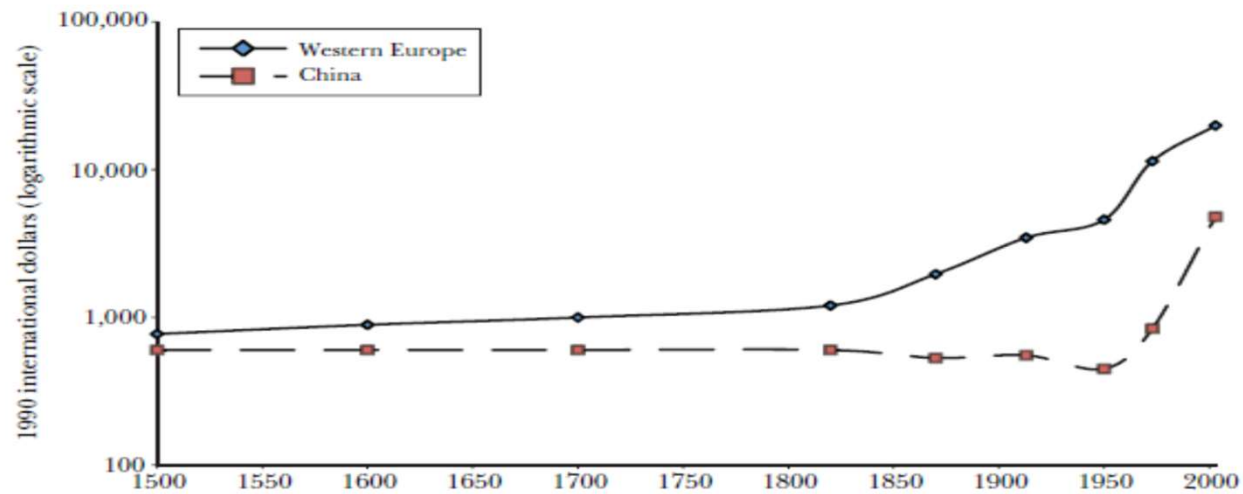
Over 40 years, at least 30 countries switched from supporting Taiwan to supporting PRC.

The presence of UN General Secretary Antonio Guterrez is undoubtedly a success for Chinese diplomacy.

Economic and diplomatic relations remain very important for both China and Africa, and Chinese investment has supported Africa's growth, with failures being marginal. (Brautigam and Yang, 2023).

V-Conclusion: Politics, geoeconomics and 2049's deadline

Figure 1
Per capita GDP of China and Western Europe



Source: Madison (2007).

2049: 100th birthday of the PRC

Goal: rediscover past greatness and become the world's leading power.
It would be the proof of the CCP's superiority in implementing an effective development policy.

-Political domestic constraints: Xi victim of his own trap?

Has Xi Jinping Reached his Peak? (G.Wu, 2024) Life-tenure in power?

Xi's Thought: One Country, one People, One Ideology, One Party and One Leader

But Most of the population is well educated, not interested in Xi's thought, worried about the future, their income and their children's jobs.

=> The challenge is to reconciling the supremacy of the CCP and the authoritarianism of the hierarchy, with social stability and economic development

Xi no longer has political insubordinates; he gains an overwhelming leadership dominance.

Weak governance? poor job in beginning structural reforms, delivering social benefit to the population, and anti-corruption campaign has not been as effective as was claimed.

-Economic goals:

Growth rate is no more the goal; there is now a mix of objectives, not always clear, with still a strong political concentration at the top.

China plays a leading role in the world innovation.

High-tech and industrial policy continue to be the more important objectives of policy makers.

In a context of confrontation with the US, the pressure on **technology** is **one of the main points**.

Problem: Lack of structural reforms,

The authorities must implement reforms to increase consumption and give more credible pledges to the private sector.

The Third Plenum made perfectly clear Xi intends to continue in the same way.

-Increasing commitments with the Global South

Political reasons:

Sovereignty, No reference to human rights, One China, a place for the Global South in the world governance.

Economic reasons:

Develop its own norms and propose an alternative to western technologies for the Global South.

Ex: Beidou navigation system is now a match for GPS (Chen, 2024) ; exported to Thailand, Laos, Pakistan, Ethiopia, Venezuela, Algeria, Nigeria, Indonesia, Brazil, Cambodia...

Technological tranferts: When Saudi Arabia accepted Chinese RMB as paiement for crude oil, the conter-part was Chinese investments in renewable energies and green infrastructures, to help deversifying Saudi economy away from its overreliance on fossil fuel.

=> **Important role in the environmental transition in Global South**

-New directions in the cooperation:

Security:

Reconfiguration of power relations based on the search for military and economic security, not on a common ideology.

The **security** is an argument for the Chinese authorities to illustrate how Global South needs its presence. Part of United Nations peacekeepers are now Chinese and several Chinese private security agencies are in Africa helping the governments needing security.

China must also protect its own citizens abroad.

A few days ago, the authorities announced that China will train 3,000 foreign police officers to protect overseas interests (Zhang, 2024).

Public Security Minister Wang Xiaohong says Beijing will also send consultants to help countries improve law enforcement and tackle cross-border crime.

Military bases:

Djibouti, like a lot of countries

Guinea: probably no

Algeria: probably yes

Military cooperation: sale of weapons, reconnaissance systems and intelligence

Diplomacy

China now presents itself as a peacemaker to consolidate its international stature.

Intermediary Iran/ Saudi Arabia

Proposal for peace plan in Ukraine

It is clear that the aim is to diversify its partnership to include all the countries in the Global South as a sort of protection against the hardening of Western countries; sometimes using them to circumvent trade sanctions.

Southern countries suffer from the trade and environmental policies in the Northern countries.

Nevertheless tomorrow's challenges are in the South: climate change, demography...

Southern countries now choose their partners for specific operations, not on principle.

For example, African countries are attractive to many other Southern countries, and China faces competition from India, Russia, the United Arab Emirates...

China still has a GDP per capita (83000 US\$ in the US and 24000 US\$ in PPP in China), that does not make the goal of becoming the world's leading power on the 100th anniversary of the Communist Party very realistic.

Despite its economic growth challenges, China's global influence remains strong due to its significant role in finance and trade (Liu Z.Z., 2024).

China's international creditor position + global development initiatives =>force in redefining the sovereign debt restructuring negotiation process and reshaping global governance.

China's competitive clean energy industrial sector will continue challenging Western industries.

Finally, China's efforts to promote an alternative financial system to mitigate geopolitical risks advance its continued presence in the Global South.

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