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Economic Globalisation and the 'Mandate of Heaven'

By Rosita Dellios

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Chakrasamvara Mandala

Central Tibet, ca. First half of the 14th century

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ABSTRACT

Economic globalisation provides a fitting context for China's modernisation and pluralistic development. This, in turn, allows China to become a cosmopolitan and civilising influence in economic globalisation. The interaction between economic globalisation and China's development can indeed be mutually productive. It can, by the same token, be mutually destructive if care is not taken to retain the humane 'ren' qualities of Confucian culture as the underlying philosophy of this Sino-global interface.

With the imminent return of China to its former status as 'celestial empire' or superpower - a superpower, one may speculate, 'with Confucian characteristics' - we will be seeing more of the Chinese cultural style of statecraft. This is necessary for the return of China to its central place between 'Heaven and Earth', thus returning humanity to the cosmic triad. In contemporary terms, it means humanising globalisation. Japan, as a foremost economic globaliser and part of the traditional Confucian culture area, would be well placed to assist in this endeavour.

This paper proposes that as China modernises and grows more connected with the global system, it will be compelled by its own internal logic and dynamism to instigate a shift in the international political system. Like the European Union, which is currently finding strength in pluralistic unity rather than fragmented sovereignties, China will soon be in a position to cross the threshold of an international system in which states are self-serving or 'xiaoren', to the Confucian notion of 'junzi' by which states - like people - can be 'self-cultivating' (in other words, 'self-civilising') in an interactive global system. The proverbial 'struggle for power' thus converts to 'partnerships of power'; it is now more profitable to connect than to clash. This ethos applies as much to civilisations as to states and their citizens.

With the above in mind, China can address the needs of globalisation by remembering itself as a one-world 'datong'-serving civilisation. The exigencies of globalisation might well unlock China's rich cultural resources for global survival and meaningfulness.

It may be postulated that the current economic globalisation presents a rare opportunity for China to gravitate to its rightful place under the 21st century international Heaven (or moral universe). The price of not doing so will be prohibitive - both for China and the world. An untamed globalisation serves no one's interests, not even that of the markets which seek consumers and deplore economic wastelands. This paper proposes that economic globalisation will require Confucian characteristics and a strong Chinese state to sponsor them. The beneficiaries would then be human. Policies and practices that seek to avoid the human cost of economic globalisation, while building creative capacity, must surely be mandated by Heaven.

Economic Globalisation and the 'Mandate of Heaven'

I Contemplating the Two Faces of Economic Globalisation

Economic globalisation, like Tibetan iconography, manifests both attractive and wrathful forms. The attraction is for greater prosperity and the quality of life this affords; the fear comes from being left out of the gains of reform and finding that living standards are falling. This is the first level of analysis of both globalisation and transformative consciousness. It concerns a primitive response to a basic impulse: the desire for improvement and the fear of regression.

Such was the global condition from the fall of the Berlin Wall in 1989 to the 'battle for Seattle' in 1999. Hopes were raised of a post-Cold War *new world order* in a technologically wired *global village*. But with the financial crises in the second half of the decade, particularly the Asian Crisis of 1997-98, came the increasingly widely held belief that economic globalisation will result in globalised suffering.

The Buddhist parallel holds that an unenlightened mind is trapped in suffering. The difference between the two positions, global and Buddhist, lies in the former mistaking the wrathful deity for a demon and hence externalising blame rather than exteriorising internally developed strengths. In short, economic globalisation tends to *idolise* the benefits of globalisation and *demonise* its destructive properties. Human beings, too, seek external saviours or scapegoats, as the need arises. The whole point of the wrathful deity, however, is to conquer selfish desire in order to attack the cause of suffering. It is an interior process. Globalisation also involves an interior process.

Shifting to Level-Two Analysis

This raises the second level of analysis: economic globalisation, in its promise and dangers, stimulates culturally creative energies. Despite its apparent ubiquity, globalisation is still uneven and unstable. It is little more, in the words of Alain Touraine, than a "a set of tendencies".¹ As there remains scope for the identified victims of "new technologies, industrial concentration, financial gambles" to become actors, it is possible to "put forward an innovative (and not merely critical) conception of society".² This second level of analysis calls for a shift from hopes and fears to constructivist thinking in its many forms,³ including the *mandala* metaphor for development.⁴ The provision of a values base for the material disposition of the world addresses the problems of level-one analysis: how to avoid being left behind the

¹ Alain Touraine, *Beyond Neoliberalism* (trans. David Macey), Polity Press, Cambridge, UK, 2001, p. 6.

² *Ibid.*, pp. 5, 2.

³ See William T. Tow, 'Alternative Security Models: Implications for ASEAN', in Andrew T. H. Tan and J. D. Kenneth Boutin (eds), *Non-Traditional Security Issues in Southeast Asia*, Select Publishing for the Institute for Defence and Strategic Studies (IDSS), Nanyang Technological University, Singapore, 2001, note 7, p. 280.

⁴ See Rosita Dellios, 'Reconceptualising Development as a Culture Mandala', in R. K. Sen and R. L. Basu (eds), *Socio-Economic Development in the 21st Century*, Deep & Deep, New Delhi, 2001, pp. 377-410. The mandala metaphor is also developed in various articles by Rosita Dellios, Martin Lu and James Ferguson in *The Culture Mandala*, the bulletin of the Centre for East-West Cultural and Economic Studies, Bond University, available online at the *International Relations and Cultural Diversity Website*: <http://rjamesferguson.webjump.com>
A *mandala* is depicted on the cover page of this paper.

benefits of economic globalisation by introducing innovative strategies for its integration. Strategic adaptation is also a Daoist characteristic. It strategically adapts, however, to a vaster set of coordinates than a profits-driven globalised economy, and hence represents an intuitively more intelligent response than the psychologically unstable behaviour of international markets or the singular (profit) motivation of transnational corporations.

Stage two has yet to be reached, though it is fermenting. Rather than being viewed in developmental Buddhist or Daoist terms, the would-be socio-cultural participant - and indeed *creator* - of prosperity in society is still largely depicted as 'victim' of an invasive market that is displacing the state as a regulatory force. In China, a side effect of more than two decades of market reforms - which are increasingly integrating with the world economy via China's anticipated entry into the World Trade Organisation (WTO)⁵ - is the discernible wealth gap between a prosperous eastern zone and an underprivileged western interior. How it is bridged may not only be a question of providing material incentives for investment into the west, but also redefining the assets of the west (such as cultural and environmental resources) and the costs of the east (the erosion of these).

'The superior man knows what is right; the inferior person knows what will sell.'
- Analects, 4:16

Kevin Danaher identifies in the London *Observer* a more constructive globalisation that includes "micro-enterprise lending networks, the movement for social and ecological labelling, sister cities and sister schools, citizen diplomacy . . . international family farm networks, and many others".⁶ He continues by asking:

. . . will money values dominate life values or will the life cycle dominate the money cycle? The great spiritual leaders of all cultures have been clear that the best path in life does not consist of amassing material goods. Jesus used violence only once, against a specific occupation - not Roman soldiers or tax collectors - but bankers. Paul of Tarsus said 'the love of money is the root of all evil.' Confucius said: 'The superior man knows what is right; the inferior person knows what will sell.'⁷

This cautionary tale of not limiting one's horizons to money values, but drawing on a wider circle of advice when advancing the well-being of all people, is well suited to the classical Chinese view that 'all under Heaven are one' (*tianxia*). China is a country that harbours universal life values through its various traditions. Not only is Confucius a time-honoured philosopher of world significance, as the above quote readily demonstrates, but the Chinese *yin-yang* symbol is a readily identifiable emblem of harmony, Buddhism has become a notable spiritual trend in the West, while some 30 million Muslims in China serve as a reminder that the Chinese nation is home to the world's fastest growing religion and one in which social justice figures

⁵ The employment implications of China's imminent WTO entry are both negative and positive. It is expected that 17 to 20 million people will lose their jobs in China over five years; but new jobs will be created through China investing heavily in high-tech manufacturing. (Robert Gottlieb, 'Greenback Gravitates', *The Weekend Australian*, 11-12 August 2001, p. 52.)

⁶ Kevin Danaher, 'The New Protest Movement: It's About Demanding a Say in the Future of the Planet', *The Observer*, London, 29 April 2001, in *Common Dreams News Center*, online: www.commondreams.org/views01/0429-07.htm

⁷ Ibid.

prominently. The integrative power of a moral universe may be found in China within a *mandala* of many cultural traditions. China may yet find the Mandate of Heaven (*tianming*) for itself and others under a genuinely global commonwealth or *datong*.

'The noble person is inclusive, not exclusive; the small person is exclusive, not inclusive.' - *Analects, 2:14*

If the perceived elitism of the global political economy prevails - whereby the international financial institutions are seen to advance the rule of 'market forces' - then the loss of the corporate Mandate of Heaven may be expected. The current wave of anti-globalisation protests hounding international governmental forums is indicative of the destructive phase of rebellion. What has yet to occur is a genuine movement (in society and consciousness), as distinct from a demonstration of resistance. Such a movement would need to be inclusive of states as well as non-state actors, modernisers as well as traditionalists. It is in this contestation of *two systems* that China - as one multi-ethnic civilisation and state - has a role to perform. It is a role that advances its own self-realisation as well as the interests of global integration along pluralistic lines. China, in true international relations parlance, is an *actor*. But it is an actor also in the sociological sense of not being a victim of capitalist globalisation. As the next section will indicate, they are mutually transformative.

II How does economic globalisation assist China's modernisation and pluralistic development? How does China assist economic globalisation's socialisation?

The interaction between economic globalisation and China's development can indeed be mutually productive. It can, by the same token, be mutually destructive if care is not taken to retain the humane *ren*⁸ qualities of Confucian culture as the underlying philosophy of this Sino-global interface. Without it, China risks being *demonised* by a fearful American West, which is already calling into play a protective shield⁹ in the sphere of military competition. 'Trust in virtue, not walls',¹⁰ might constitute a fitting retort to this *ren*-deficient relationship in the political sphere. The need for *ren*-based relations becomes even more pressing in view of the increased communication and trade flows within the socio-economic realm. If humaneness - *ren* - cannot form the matrix for such interactions then global commerce will remain trapped at the level of a superficial transactionalism. Worse, without a *ren*-mediated system, there is ample scope for alienation and hostility. This comes from a lack of mutual empathy and respect. Even in the presence of wealth, and sometimes moreso, human fellow-feeling can be depreciated. If increased material prosperity is all that economic globalisation has to offer, then this is not enough. Confucius pointed out that dogs and horses are cared for to that extent. "If there is no feeling of respect, wherein lies the

⁸ *Ren* is central to Confucian thought. Comprising the written characters for 'human' and 'two', it is therefore concerned with human relations and has been variously translated as humaneness, human-heartedness, benevolence and goodness.

⁹ This is the proposed anti-ballistic missile defence program, ostensibly aimed against North Korea and Iran, but more plausibly designed to curtail prospects of the emergence of a Chinese superpower rival. If the shield removes China's credibility as a nuclear power, then the US can expect to retain a clear preponderance of power well into this new century.

¹⁰ Chinese minister, AD 280.

difference?"¹¹ The provision of nourishment is not in itself adequate for one's parents or children; so too in the human family of nation-states and cultures. The Muslims, too, are familiar with the humane dimension of international relations: Allah said in the Koran: "We have created you from a male and a female, and made you into nations and tribes, that you may get to know one another."¹²

But to overlook the provision of nourishment makes matters worse, for then both material and moral care are absent. According to the UN Development Program, the richest 20 percent of the world accounts for 86 percent of global consumption while the remainder (80 percent) survive on 14 per cent of consumption spending.¹³ This is not for lack of production but absence of a pervasive *ren*-based global culture. As Danaher points out, ". . . resources distributed by market forces automatically bypass the poor."¹⁴ Tibetan Buddhism's wrathful deity returns as a reminder of a task, a transformation, still unfulfilled; that of conquering selfish desire in order to attack the cause of suffering. This is, as already noted, an interior process. So, too, with a world-inclusive *ren*. Confucius famously said to one of his disciples, Yan Yuan, that if you can control your selfish desires and subject them to the rules of proper conduct, and if you can do this for a single day, it is the beginning of *ren* for the entire world. *Ren* is self-sufficient and comes from one's inner self; it cannot be obtained from others.¹⁵

The above suggests that for economic globalisation to be successful qualitatively, it needs to be conducted within a *ren*-literate cultural milieu. This can be done through a rules-based system and codes of conduct (*li*). But it requires political and civic commitment that matches the strength of the consumerist ethic currently being fostered by market-oriented values. This is where China's potential as a cosmopolitan and civilising influence in economic globalisation is realisable. China is not only a state that necessarily considers its sovereign rights, duties and limitations. It is also a civilisation that exists everywhere,¹⁶ and in many of the world's traditions which, in turn, often reside in significant numbers in the Chinese state. China is a territorial reality as well as a philosophical and experiential repository. In the 21st century, as a result of China's own market reforms, the PRC is an emerging global power. It is not, however, a state pretending to be an economy,¹⁷ irrespective of how seriously economic goals are being pursued - including entry into WTO. As American strategists, Richard K. Betts and Thomas J. Christensen, soberly observed:

Economic globalization does not eliminate the high priority that nations place on their political identity and integrity. Drawing China into a web of global interdependence may do

¹¹ *Analects*, 2:7, in Arthur Waley (trans.), *Confucianism: The Analects of Confucius*, HarperCollins, New York, 1992, p. 89. Spoken in relation to being filial.

¹² *Koran*, 49:13, in N. J. Dawood (trans.), *The Koran*, 5th edn, Penguin, London, 1993, p. 364.

¹³ Cited in Danaher, op. cit.

¹⁴ *Ibid.*

¹⁵ *Analects*, 12:1. Adapted from Dun J. Li's translation, in Dun J. Li, *The Ageless Chinese: A History*, 2nd edn, Scribners, New York, 1971, p. 74.

¹⁶ Chinese civilisation is shared by many people, including those who are not Chinese by ancestry or citizenship. See Tu Wei-ming, 'Cultural China: The Periphery as the Center', *Daedalus*, Vol. 120, No. 2, Spring 1991, pp. 1-32.

¹⁷ To paraphrase of Lucian Pye's memorable expression that China is a "civilization pretending to be a state". (Lucian W. Pye, 'China: Erratic State, Frustrated Society', *Daedalus*, Vol. 120, No. 4, Fall 1990, p. 58.)

more to encourage peace than war, but it cannot guarantee that the pursuit of heartfelt political interests will be blocked by a fear of economic consequences.¹⁸

Far from it, economic globalisation has endeared China more than ever to business interests which act as a counter to those who view China as a threat to US security interests. Moreover, China gained a significant public relations boost with Beijing winning the bid to host the 2008 Olympics. It has long been observed that China is too large to ignore and too important for global stability to alienate. If this is the case, logically the next question concerns the nature of China's responsibilities to the world. This largely depends on China's own self-realisation.

The state of equilibrium

As *Zhongguo*, the Middle Kingdom, relationships require attention. For China to realise its central place between 'Heaven and Earth', means returning humanity to the cosmic triad. In contemporary terms, it means humanising globalisation. Japan, as a foremost economic globaliser and part of the traditional Confucian culture area, would be well placed to assist in this endeavour. Contemporary Japan's massive Overseas Development Aid (ODA), its constitutional renunciation of war, and a demonstrated lack of Western-style leadership ambition, place it in a strong position to effect 'soft power' change - that is, governing through non-assertion (*wu-wei*).¹⁹ Its early 20th century militarism seems to have inoculated the Japanese system from hard power pretensions in the present era.

It is to Japan that China owes its most vigorous economic support. Japan is China's largest trading partner and donor nation. Bilateral trade between China and Japan reached \$66 billion in 1999; and Japan was thought to account for up to 70 percent of China's total ODA in the late 1990s.²⁰ Foreign Direct Investment (FDI) figures for the late 1990s for China indicate that Japan rates equal third with Singapore as a source of FDI. Hong Kong is the primary source; the USA comes second. Even more revealing for the Confucian culture area, is that when ethnicity is accounted for, much of it derives from Chinese Americans. It has been reported that as much as 90 percent of FDI for some of China's provinces comes from the Chinese diaspora.²¹

Networking Sino-global links

Connectivity, which depends on the ability to network at many levels, from the technological to the cultural, has already become a 21st century measure of economic

¹⁸ Richard K. Betts and Thomas J. Christensen, 'China: Getting the Questions Right', *The National Interest*, Winter 2000, available on <http://web3.infotrac.galegroup.com/itw/infomark>

¹⁹ 'Soft power' is a term used in International Relations to describe persuasive power. It contrasts with the hard power of military or economic punishment. In simple terms, soft power's 'carrot' may be compared to hard power's 'stick'. *Wu-wei* belongs to the realm of soft power: "The Master said, 'As for governing through non-assertion (*wu-wei*), was not Shun an example of this? What did he do? All he did is make himself reverent and face south in a correct posture, that is all.' " *Analects*, 15:4, in Wm Theodore de Bary and Irene Bloom (comp.), *Sources of Chinese Tradition*, 2nd edn, Vol. 1, Columbia University Press, New York, 1999, p. 59.

²⁰ 'Japan Needs Juggling Act to Secure Future in Asia', *Japan Times international*, 16-31 March 2001, p. 13; and 'China-Japan Relations in the 21st Century', *Asia's Global Powers*, Department of Foreign Affairs and Trade, Canberra, 1996, p. 76.

²¹ Michael Blackman, *Asian Eclipse: Exposing the Dark Side of Business in Asia*, John Wiley & Sons, Singapore, 1999, p. 174.

power. To quote globalisation analyst Thomas Friedman: "As the Internet becomes the backbone of global commerce and communication, the quality and scope of the networking within countries will be decisive in determining their economic strength."²² By this criterion, he observes that China is becoming 'networked' at an exceptionally fast rate.²³ According to survey results by the official China Internet Network Information Centre,²⁴ in the six-month period between June and December 2000 China's Internet users - defined as "Chinese citizens who use the Internet at least one hour per week" - increased from 16.9 million to 22.5 million. This user growth has been matched by a proliferation of Websites: 27,289 in July 2000 and increasing at the rate of 275 percent per annum.²⁵ Given the scale of China's digital revolution, it is not difficult to predict that during this decade the People's Republic will account for the world's largest online population and Internet market.

A digitally networked China would serve as an enhancement - or 'force multiplier' in this realm of 'soft power' - to the traditional Chinese approach to relationship building, known as *guanxi*. *Guanxi* networks are formed on a face-to-face basis through trust-building exercises and the ubiquitous 'banquet diplomacy'. In this way social and business relationships - or webs - are created for the effective operation of businesses throughout China. The digital net comes into full play when enhancing established *guanxi* webs. As an Australian government report notes, it provides "an efficient and cheap way to stay in close touch with clients and markets through electronic mail routes, online databases, video links and the transaction of electronic business, *once trusting relationships have been formed*".²⁶

Networking - as a basis for economic globalisation, technological communication *and* Chinese cultural practices - constitutes the means by which economic globalisation can assist China's modernisation and pluralistic development, while China in turn can assist economic globalisation's socialisation. Modernisation of China is advanced by investment of capital and technology, while pluralistic development receives a boost from the diversity of the periphery flowing back to transform the centre. From the global perspective, its socialisation is effected through the often private, economic actions of filially inculcated sons and daughters of Huang Di, the Yellow Emperor. These are people who identify themselves as culturally Chinese, irrespective of dialect groups, yet maintain the pride in their own dialect groups as evidenced by choice of investment location.

Thus cultural China absorbs external diversity as well as internal traditions through the immediacy - and filial intimacy - of economic globalisation. In return, this process demonstrates that global networking often occurs utilising the Confucian thread of relatedness. With the right attitude, 'all within the four seas' become family.²⁷ To

²² Thomas Friedman, *The Lexus and the Olive Tree*, Harper Collins, London, 1999, p. 170

²³ *Ibid.*

²⁴ China Internet Information Center, *Seminannual Survey Report on the Development of China's Internet*, State Council and Steering Committee of China Internet Network Information Center (CNNIC), PRC, 2 reports June 2000; January 2001:

<http://www.cnnic.net.cn/develst/e-cnnic200007.shtml>

<http://www.cnnic.net.cn/develst/e-cnnic200101.shtml>

²⁵ *Ibid.*, 2000.

²⁶ Department of Foreign Affairs and Trade (DFAT), Commonwealth of Australia, *Putting Australia on the New Silk Road: The Role of the Trade Policy in Advancing Electronic Commerce*, Statistical Services Section, DFAT, Canberra, 1997, p. 8. Emphasis added.

²⁷ *Analects*, 12:5.

avoid the perversion of *guanxi* in the form of corruption and exclusivity, it is necessary to begin with the development of one's own moral strength. The interior process of globalisation is revisited:

Zilu asked about the noble person. The Master said, "He cultivates himself with reverence." "Is that all there is to it?" "He cultivates himself in order to bring peace to others." "Is that all there is to it?" The Master said, "He cultivates himself so as to give peace to all people. Cultivating oneself so as to give peace to all people - Yao and Shun were also anxious about this."²⁸

***Xiaoren* states and *junzi* consciousness**

As China modernises and grows more connected with the global system, it will be compelled by its own internal logic and dynamism to instigate a shift in the international political system. Like the European Union, which is currently finding strength in pluralistic unity rather than fragmented sovereignties, China will soon be in a position to cross the threshold of an international system in which states are self-serving or *xiaoren*, to the Confucian notion of *junzi* by which states – like people – can be 'self-cultivating' (in other words, 'self-civilising') in an interactive global system. The proverbial 'struggle for power' thus converts to 'partnerships of power';²⁹ it is now more profitable to connect than to clash. This ethos applies as much to civilisations as to states and their citizens.

With the above in mind, China can address the needs of globalisation by remembering itself as a one-world *datong*-serving civilisation. The exigencies of globalisation might well unlock China's rich cultural resources for global survival and meaningfulness. By follow the strategic adaptation of Daoist development as well as the Confucian impulse toward a self-realised humane culture (*renwen*), China - in its fullest sense of civilisation and state - holds the key to personalising the parts of the global system.

Conclusion

It may be postulated that the current economic globalisation presents a rare opportunity for China to gravitate to its rightful place under the 21st century international Heaven (or moral universe). This place is one of equilibrium, a genuine *zhongguo*. The price of not doing so will be prohibitive – both for China and the world. An untamed globalisation serves no one's interests, not even that of the markets which seek consumers and deplore economic wastelands. It may be concluded that economic globalisation will require Confucian characteristics and a strong Chinese state (of equilibrium) to sponsor them. The beneficiaries would then be human. Policies and practices that seek to avoid the human cost of economic globalisation, while building creative capacity, must surely be mandated by Heaven.

²⁸ *Analects*, 14:45, in de Bary and Bloom, op. cit., pp. 58-59. Yao and Shun were sage kings "said to have reigned around the twenty-second century, who stand as the founding fathers and exemplars of Chinese civilization" (ibid.).

²⁹ This is reflected at the philosophical level as the mutuality of Heaven, Earth and humankind.