China and imperialism in the 21st century

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In the past two decades, China has emerged as the major challenger to the United States's leading position in the global economy and, to a lesser extent, as the world's foremost military power. Compared to the global reach of the US, China's economic and military power is more concentrated in its immediate neighbourhood. Nevertheless, it inhabits a global system of rivalry that impels the Chinese state to act as an imperialist power to advance the interests of Chinese capital in much the same way as the US does. Previous rivals to US power have now been incorporated into the US-led world system as allies—for instance, Germany and Japan after 1945—and it is conceivable that China might be incorporated in the same way in the very long term. After all, as this article will demonstrate, China broadly accepts the rules of the neoliberal "Washington consensus", and the hyperbole surrounding China's Belt and Road Initiative has been shown to be largely misplaced in recent years. Moreover, China now faces mounting criticism from states in the Global South that were recently touted as its natural allies against the US. However, the path to accommodation is a very rocky one and, as we will see, although the classical state capitalism of the Mao Zedong period has been restructured, China's rulers continue to mobilise state power to promote specifically Chinese interests against those of other major powers.

When China joined the World Trade Organisation (WTO) in December 2001 and thus signed up to Western rules on the global economy, US geostrategists congratulated themselves on the latest evidence of the West's triumph over "Communism". The deepening of China's post-Mao economic liberalisation promised greater opportunities for Western capitals. These capitals hoped to address the profitability crisis that had afflicted them since the 1970s by accessing the labour of the 200 million rural migrants who have moved into the major industrial cities of China since the early 1990s.[1]

According to World Bank figures, China's economy was only one eighth of the size of the US's in 2001.[2] Writing in *Foreign Affairs*—the journal of the Council on Foreign Relations, a cross-party US geostrategic think-tank—international relations writer Gerald Segal could plausibly answer his own question on China's geopolitical significance, "Does China matter?", largely in the negative.[3] Segal reflected a widespread, but increasingly mistaken, belief that China was little more than a low-skill, low-wage final assembly platform for higher value-added inputs from more advanced economies.

WTO accession came after three decades in which rivalries between the US and China occasionally threatened military conflict—such as when the US bombed China's embassy in Serbia in 1999 and a US spy plane was downed over Hainan province in 2001. However, in two key areas there was a considerable overlap of interests. Both the US and

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China were rivals of the Soviet Union until its collapse in 1989-91 and both were strongly committed to China's economic reform, albeit for separate reasons. This overlap continued through the 2007-8 global financial crisis, when China's vast fiscal stimulus, estimated at 27 percent of national income, was a central component of the weak and debt-driven recovery of the global economy.4 Yet, in recent years, particularly during Donald Trump's presidency, relations between the two powers have become more acrimonious. In the language of US strategists, China has moved from being a strategic partner to a global rival.5

Trump's tariff war after 2018 served as a reminder of the power imbalance between the two states and China's continuing (albeit declining) vulnerability to restrictions on its export markets. Nonetheless, simultaneous tariffs on Canadian and European Union exports indicated that the US is also vulnerable to competition, even from geopolitical allies. Despite a partial resolution (or rather suspension) of the US-China trade war, 2020 witnessed repeated stand-offs as China's increasingly assertive rulers pursued their own interests. Examples of this include China's repression of the pro-democracy movement in Hong Kong in the teeth of criticism from the West. Meanwhile, Trump intensified a simmering conflict over Chinese tech firms, notably Huawei. The rhetoric of rivalry, including Trump's anti-Chinese racism during the Covid-19 pandemic, has prompted talk of a new Cold War. The US's structural problems, the political divisions highlighted by the 2020 presidential election and its aftermath, and its wider global interests mean that the general thrust of US policy will be maintained by Biden. Indeed, one of Biden's campaign messages was that Trump was soft on China.6

The interests of China's state capitalist rulers mirror those of the US ruling class. China is now a major global power, capable of promoting and defending its economic and military interests elsewhere in Asia and beyond. It is locked into a relationship of inter-imperialist rivalry with the West, even though it remains less powerful than the US. There is potential for military conflict, but bellicosity from politicians and geostrategists coexists with deep economic interpenetration and mutual dependency. This article aims to disentangle this complex relationship. It focuses on the geopolitics of inter-imperialist rivalry, defined by Alex Callinicos as "conflicts among states over security, territory, resources and influence".7 It outlines how Marxist theory enables us to understand this rivalry before exploring the strategic interests of the US and Chinese ruling classes and the intensification of their mutual antagonism.

Understanding the US-China relationship

Many commentators on the left still refer to China as "state socialist". This has an apologetic quality similar to phrases such as "really existing socialism" in the Soviet bloc and the "socialism with Chinese characteristics" used by China's rulers today. All imply that Marxism's emancipatory vision has not been fully realised, but that state ownership makes these societies fundamentally different to Western capitalism. However, isolating the legal form of property ownership as the key difference between capitalism and socialism obscures the real relations of class exploitation that existed in Eastern Europe and exist in China today.

A far superior Marxist analysis was developed by Tony Cliff, who argued that the consolidation of Stalinism in the Soviet Union with the first Five Year Plan after 1928 represented a counter-revolution and the establishment of state capitalism.8 This was under the control of a new ruling class whose power derived not from personal property, as in other capitalist societies, but from ownership (understood as effective control) of nationalised property. One of Cliff's crucial insights was that the Soviet Union could only be understood in the context of the pressure from capitalism's global dynamic of competitive accumulation, expressed in the military threat from other states. After 1945 this model was imposed on Eastern Europe and then emulated in China after the Chinese Revolution of 1949. A decade later, almost all of Chinese industry was under state ownership. The newly consolidated state capitalist ruling class engaged in a national development project to end the century of humiliation experienced at the hands of Western imperialism.

Since 1978, the classical model of state capitalism under Mao has been progressively transformed as the economy has been restructured and opened to the world. Private capital contributed almost nothing in 1978 but today accounts for 60 percent of GDP and 90 percent of exports. The share of state-owned enterprises (SOEs) has fallen to 30 percent of GDP, and the Chinese Communist Party (CCP) and the party-state now interact with and must accommodate private capitalist class interests.

Private capital is deeply intertwined with the party-state. An internal CCP report in 2006 showed that 90 percent of millionaires were the offspring of senior officials and at the same time over half of capitalists in coastal zones had roots in the CCP or state.9 Across China the local state directly engages in capital accumulation and private economic activity in the form of corporate spin-offs of local state agencies, shareholdings in private firms and joint ventures with private capital. It is also involved in other measures to support the private sector, such as the sale of municipal land at knock-down prices. Meanwhile, there is a constant migration of party and state officials into the private sector. Although there is no single model of local state-capital relations, every local authority has responded to national party-state injunctions to engage with private business. As researcher Wing-Chung Ho argues, “Local party officials have both the incentive and the responsibility to pursue economic and industrial development, form cadre-entrepreneur alliances, and make profits for private gain”.10 For many this leads ultimately to a move into the private sector, and senior private capitalists can enrich themselves through moving in the other direction by buying official public positions. There is a symbiotic relationship between the party-state and the private sector, an example of what Chris Harman called the structural interdependence of capital and state.11

CCP General Secretary Jiang Zemin’s announcement of the notion of the “three represents” in 2002 was an acknowledgement of the rise of the private sector. Private capitalists were henceforth allowed to join the party thanks to their “honest labour”. By 2011, the 70 richest of the almost 3,000 delegates to China’s legislative assembly, the National People’s Congress, were worth $90 billion, a stratospheric figure even compared to the most neoliberal of Western states.12 What had emerged, according to the *Monthly Review* China specialist Martin Hart-Landsberg, was “the fusion of party-state and capitalist elites around a shared commitment to continue the advance of China’s capitalist restructuring”.13 Others suggest an almost total correspondence of party-state and private capitalist interests. However, there is a problem with this view.

From Chairman Deng Xiaoping’s “going out” strategy onwards, Chinese private capital, particularly in coastal regions, has become associated with foreign capital. The benefits are mutual—foreign capital uses Chinese firms’ links to the state while Chinese firms gain access to Western technology, management systems and so on. Nevertheless, the outward orientation of coastal capitalists in particular poses questions over their long-term loyalty to the party-state and the CCP’s national development strategy. There is also a tension between what we might call a “globalist” section of Chinese capital, which seeks further integration into the world economy, and a “national developmental” sector, which is more oriented on the development of the internal market.14 Developments under curent president Xi Jinping are best understood as part of the reaction of the party-state to the increasing significance of the “globalist” sector in recent decades.

The general strategy of integration with the global economy continues, but Xi has tightened controls on China’s coastal capitalists amid a reassertion of CCP power. CCP cells have been established in most of China’s largest private companies, regulation and surveillance of private capital has been increased, and an anti-corruption drive has

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ensnared over half a million officials, many in very senior positions. In 2017, a new national intelligence law stated that every organisation and citizen most “support and cooperate in national intelligence work”.

The unspoken message to China’s private capitalists was clear in the treatment of multi-billionaire Jack Ma at the end of 2020. Ma’s Alibaba corporation is the world’s 132nd largest according to the *Fortune* magazine “Global 500” rankings. The maverick showman Ma seems to have believed that this, along with having CCP membership since the 1980s, made him untouchable. However, when he criticised the party for over-regulation, Alibaba was soon placed under investigation for “monopolistic practices” and a major flotation of one of Ma’s company’s was cancelled. The “globalists” were being reined in.

One demonstration of the continued power of state capital is SOE reform. There have been semi-permanent processes of rationalisation, restructuring and privatisation designed to strengthen the state sector and make it more efficient. Between 1994 and 2005, 60 million SOE workers lost their jobs. Reform intensified in 2003, just as private capitalists were let into the CCP, with the establishment of the State-owned Asset Supervision and Administration Commission (SASAC). The number of SOEs has been reduced through privatisation and mergers, and most have been converted into profit-oriented corporations, legally separate from the state and increasingly subject to market forces. However, in line with its strategy of “zhuada fangxiao” (grasp the big, release the small) SASAC retains effective control over roughly the 100 largest SOEs in the most strategically important sectors. These include the defence, energy, railway, telecoms, aviation and construction sectors. The latest reform of SOEs in 2019 had strengthening CCP leadership of SOEs as a key objective.

These core “national champion” SOEs are enormous. China has 124 corporations in the *Fortune* Global 500 (compared to the US’s 121) and 20 of the top 25 are state-owned. Furthermore, it is estimated that SOEs own a quarter of all private companies. The centrality of the state in the Chinese system is underlined by the fact that somewhere between 90 and 100 percent of financial capitals are state-owned. The structures of Chinese state capitalism have changed over the last four decades, and perhaps it even deserves some new label such as “open state capitalism” or “state-orchestrated capitalism”. Yet no matter the label, the Chinese economy is part of, and shares the general hallmarks of, the global capitalist system. What then are the relations between China and the rest of the world?

The theory of inter-imperialist rivalry developed by Lenin and Nikolai Bukharin a century ago is dynamic and, as Alex Callinicos points out, cannot be mechanically applied to today’s world.15 The emergence of the US as a superpower able to exercise some control over its weaker allies, though also in competition with them, moderated the traditional rivalries between the Western states during the Cold War. This was reinforced by the (temporary) existence of a state-capitalist imperialist power in Eastern Europe. However, Lenin and Bukharin’s broad assessment that the imperialist world system is driven by rivalry remains essentially accurate. Against academic Jude Woodward’s tendency in her work on US-China relations to accept China’s rulers’ “benign intent”, Sean Ledwith has argued in *Monthly Review* that China is “bound by the logic of the system”, which is more powerful than even the most authoritarian politicians.16

The logic of the international system is intertwined with the logic of competitive capital accumulation. Earlier Asian developmental states forcefully restructured private capitalist groups into conglomerates—the chaebols in South Korea and the zaibatsu in Japan—that then received wide-ranging state support in order to enhance their capacity to compete in world markets. State planners’ long-term perspectives (including encouraging social stability and national development, addressing emerging technological trends, and locating future market opportunities) continue to coexist, and sometime clash, with capitals’ short-term interests and calculations.

Within the unplanned and potentially chaotic global system, the largest capitals search globally for investment opportunities, sources of specific inputs and markets. This impels them towards various forms of cooperation with overseas capitals, including strategic tie-ups and joint ventures. However, capitals remain organised most deeply at a national level. States too seek to enhance their long-term interests, and those of nationally based capitals, via accommodations with other states. The essence of inter-imperialist rivalry thus produces more immediate forms of cooperation, structured by states' relative powers; scholar Peter Gowan, writing about EU-US relations, referred to the combination of subordinate "cooperation with some elements of friction and competition".17 The Brazilian Marxist Ruy Mauro Marini similarly referred to "antagonistic cooperation" between the US and Brazil, its sub-imperialist subordinate.18 The balance between conflict and cooperation is not fixed, and in the era of globalisation the increased significance of capitalist planning bodies such as the World Economic Forum and institutions such as the International Monetary Fund underline the common interests of the world's dominant capitalist classes in, for example, structurally adjusting the Global South to the dynamics of the world market. Nonetheless, the pressures of capitalist accumulation ensure that rivalry is a permanent backdrop to cooperation.19 This rivalry demands that states elaborate strategies for managing their relations with others. The US-China relationship is an asymmetrical inter-imperialist rivalry.

US and Chinese strategy—conflict tempered by cooperation

In the early 1970s the US ruling class faced challenges on all fronts. Militarily, its armed superiority proved incapable of delivering victory in the Vietnam War. Politically, anti-war protesters, the women's movement, the black liberation and anti-racist movements, and the labour movement reinforced ruling-class anxieties about the course of the war. Economically, it faced relative decline and intensified competition from its allies. President Richard Nixon and his national security advisor Henry Kissinger turned towards Mao, believing that improved US-China relations would pressure Moscow and Hanoi into a face-saving deal.

Mao's foreign policy combined occasional rhetorical revolutionism with practical conservatism. As Nigel Harris put it, whereas Lenin had placed the Soviet state at the service of the international working class and world revolution after 1917, Mao's fundamental goal was defence of the interests of Chinese state capitalism's ruling class. In order to achieve this, Mao "endeavoured to win foreign ruling classes as allies".20 He accepted the prevailing relations between states and national ruling classes. Far from being progressive, as some on the left argue, the concept of "peaceful coexistence", formulated by Stalin and elaborated by Mao, signified that working-class struggles were matters for the national ruling class concerned.

In a changing world this required occasional geostrategic somersaults. In the 1950s, Mao had identified the US as the one dominant superpower. However, as Sino-Soviet relations soured in the 1960s he claimed that the two global powers now dominated the rest of the world's states. After Sino-Soviet border clashes in 1969, Mao changed his position again, declaring the Soviet Union to be the sole superpower and the greatest threat to China and world peace. Nixon and Kissinger seized on the opportunity to extricate the US from Vietnam.

US interests dovetailed with those of key reformers within the Chinese leadership who recognised the limitations of China's inward-looking state capitalism. These reformers ultimately assumed dominant positions after Mao's death. From 1978 onwards the new leader, Deng Xiaoping, began the twin processes of "welcoming in" Western firms and technology and "going out" with exports and later capital exports in order to articulate the Chinese and world economies. After a brief slowdown of the reform programme following the 1989 Tiananmen Square massacre, 1992 was a pivotal year. Deng's "southern tour" reignited the project of opening up to the global economy. A US-China memorandum of understanding was signed, committing China to reducing trade protections and recognising US intellectual property rights. Foreign Direct Investment (FDI) flooded into the lightly regulated Special Economic Zones (SEZs) along the southern coast—net inflows rose from around $2 billion annually in the decade before 1992 to over $30 billion in the following decade.

President Bill Clinton pushed for China's WTO entry in the second half of the 1990s, overriding domestic concerns about human rights abuses and potential job losses. China's still heavily state-regulated economy meant that it did not fully meet the membership criteria for this key institution of neoliberal globalisation. Nevertheless, US strategists believed that China's WTO entry was a gamble worth taking. The goals were both economic and geopolitical. As the US-China Relations Act was passed in 2000, paving the way for China to enter the WTO, Clinton argued this would "open new doors of trade for the US and new hope for change in China".21 Meanwhile, Chinese premier Zhu Rongji moved against opponents of further reform, arguing in a report to the National People's Congress that "China's economy has reached the point where it cannot further develop without being restructured".22 China actively embraced WTO membership, albeit at its own pace and after often bitter negotiations with Clinton's team.23

The impact on China was colossal. Total exports had been just $10 billion in 1978 but by 2008 were $1,430 billion.24 In 2009, China became the world's biggest exporter. Certainly, as late as 2005, profits in advanced industrial sectors went overwhelmingly to foreign transnationals (70 percent in electronics and information technology, for instance). Nonetheless, the surge in China-based production served ruling class interests in both the US and China.25 It opened up sources of profit for US capital and produced cheap consumer goods that cushioned wage repression under neoliberalism. For China it enhanced national development and provided means to move towards higher value manufacturing output and compete more successfully with Western rivals.

China's growth emboldened Deng to begin to denounce "hegemonism", with the US clearly in his sights. This dovetailed with the pursuit of a "good neighbour" foreign policy in Asia intended to extend China's influence among US allies.26 At the end of the 1990s, China joined the ASEAN+3 (the Association of South East Asian Nations plus China, Japan and South Korea), contributing to deeper regional economic integration.27 It also assisted the regional recovery from the 1997 Asian financial crisis, supporting the Renminbi exchange rate in order to limit competitive pressures in Asia and joining regional arrangements to protect Asian currencies threatened by financial speculation.

Although still competing economically with other developing countries, China's growth enabled it to extend its influence beyond Asia. It established the Forum on China-Africa Cooperation in 2000 and the China-Arab States Cooperation Forum in 2004, and it was a central player in the BRICS (Brazil, Russia, India, China, and South Africa) grouping from 2009. The US's military failure in Iraq was also a significant factor in China's increased assertiveness, and it enlarged the geopolitical space for China to develop its international role. US geostrategists, already conscious of China's rise at the time of the 9/11 attacks in 2001 and later spooked by failure in Afghanistan and Iraq (and then Georgia in 2008), became increasingly concerned about the limits of Washington's power.

Foreign Affairs editor James Hoge summed up the mood when he wrote of "a global power shift in the making".28 Robert Kaplan, an important figure in the Project for the New American Century think tank that shaped George W Bush's strategy, argued that the US-China military contest "will define the 21st century".29 Another *Foreign Affairs* contributor and later chief economic advisor to Narendra Modi's India, Arvind Subramanian, captured the atmopshere of pessimism with his argument that China was now an "inevitable superpower". He predicted that by 2030 "relative US decline will have yielded not a multipolar world but an almost unipolar one dominated by China".30 China's contribution to the global economic recovery after the 2008 crisis underlined this growing, global importance.

It was in this context that in 2010 Barack Obama announced the pivot of 60 percent of US military power to Asia. Simultaneously, his secretary of state, Hillary Clinton, launched a drive to reinforce US military alliances in Asia, prompting *Financial Times* journalist Geoff Dyer to argue that the US was trying to bandwagon the rest of Asia against China.31 In subsequent years, the Japan-based US Seventh Fleet engaged in 100 joint exercises a year with Asian states, focusing on the highly contested South China Sea and demonstrating US commitment to containing China's naval power.32 The Trans-Pacific Partnership, proposed under Obama, was the economic component of this containment strategy.

Obama's pivot failed to slow the growing confidence and assertiveness of Chinese foreign policy, expressed in Xi's "dream" for the "great revival of the Chinese nation in order to let it stand more firmly and powerfully among all nations around the world".33 For Beijing University's Ye Zicheng, the completion of this revival requires becoming a world power, and certainly there has been a huge military modernisation in recent decades.34 In particular, according to China's State Oceanic Administration, building naval power is the "historic task for the 21st century", which would allow it to develop the capacity to project naval power globally—so-called distant sea defence. Senior defence strategist Liu Mingfu has written of an aim to displace the US as the "number one in the world". Others suggest that China seeks only regional hegemony in Asia, allowing for continued economic development in relative security. However, the pressures of rivalry and the voracious appetite of its economy mean that this choice may be unavailable. This poses the question of whether China seeks to overturn the US-led world order or continue to accumulate power within it, which is an issue we will look at in the next section.

Nonetheless, the military pressure exerted on China by Obama's pivot existed alongside persistent economic interpenetration and co-dependence. Thanks partly to FDI from, and exports to, the US China's economy continued to grow. China's global geo-economic strategy reflected this, and Xi announced the Belt and Road Initative in 2013. The aim of this enormous infrastructure development programme was to enhance China's regional and global economic reach. Against this background the Council on Foreign Relations (CFR) established a working group comprising, amongst others, Douglas Feith (Bush's under-secretary of defence), Richard Haass (advisor to secretary of state Colin Powell), neoconservative Paul Wolfowitz and Hillary Clinton's deputy at the State Department. In 2015, the CFR produced the *Revising US Grand Strategy Towards China* report. Laurence Shoup, who describes the CFR as "the think tank of monopoly finance capital", described the report as presenting "an aggressively imperialist view" of US interests.35

Lamenting the absence of a US strategy to manage China's rise and preserve its own global "primacy", the report recommended a number of measures. These included excluding China from new trade arrangements in Asia, controlling technology exports that might assist China's military modernisation, reinforcing US strategic alliances with its Asia-Pacific allies and upgrading its armed forces in order to enhance US power projection in Asia. The authors reminded readers that containment of the Soviet Union was not a defensive strategy but "an instrument to achieve victory in the Cold War".36 Trump's *2017 National Security Strategy* and his policies towards China were consistent with this 2015 document, even if his methods of promoting US interests differed from those of previous leaders.

A key premise of the CFR report was that support for China's opening to the global economy and WTO accession had stimulated China's economy and thus "accelerated its rise as a geopolitical rival".37 Now, Trump's strategy announced that the US should rethink policies that "assumed that engagement with rivals and their inclusion in international institutions and global commerce would turn them into benign actors and trustworthy partners. For the most part, this premise has turned out to be false".38 Trump's subsequent actions provided substance to this rethink and a response to the "growing political, economic and military" challenge of China (as well as Russia to a lesser extent) that poses a threat to US "power, influence and interests, attempting to erode American security and prosperity".39 How accurate was this assessment?

From the Washington consensus to the Beijing consensus?

Some commentators claim that China's rise heralds a departure from the neoliberal "Washington consensus" that has dominated policy-making in the international financial institutions and the world's major states since the 1980s. One of the most destructive consequences of the Washington consensus has been the imposition of structural adjustment on the Global South via the conditionalities attached to International Monetary Fund and World Bank loans to "resolve" debt crises. It is argued that Beijing, on the contrary, practises peaceful coexistence and non-interference in other sovereign states. However, the interests of China's ruling class lead to different conclusions.

Whatever the tensions between China's capitalists mentioned above, they were almost universally committed to the suppression of wage levels for three decades. Even after increases in the minimum wage in many parts of China, and more general wage rises as a result of the slowdown of migration from rural areas in the last decade, China is today one of the world's most unequal societies.40 Foreign capital is partly responsible, but it operates within a system designed by the Chinese ruling class. This shared responsibility undermines claims that China represents a challenge to the Washington consensus. State ownership and economic regulation by states may, under certain circumstances, be antagonistic to neoliberalism; but in China these are the mechanisms through which neoliberalism operates. Hence, as Ian Taylor argues, the idea of "China as an alternative—and possible challenger—to the capitalist world order lacks serious credibility. China is both an active participant and tacit co-manager of the established global order".41 In the language of academic international relations China is a "status quo power". In a system of inter-imperialist rivalry conflicts of various sorts with the US and others are inevitable, but the idea of an emerging "Beijing consensus" that offers an alternative to global capitalism is not a helpful starting point. This is nowhere more clear than in the area where Beijing's alternative to Washington is claimed to primarily operate—the Global South.

At the time of the commodities boom in the early years of the 21st century, Latin American exports to China provided the means for the left-wing "Pink Tide" governments to finance spending. They used this income to pursue moderate programmes of social reform and income redistribution but failed to challenge the entrenched interests of the dominant classes. Trade between these countries and China increased tenfold between 2000 and 2010, and there was a huge expansion of Chinese loans for development projects. A new development dynamic seemed to have been unleashed, leading to the publication of optimistic, albeit critical, books with titles such as Alex Fernández Jilberto's and Barbara Hogenboom's *Latin America Facing China: South-South Relations Beyond the Washington Consensus*.42 Within a few years it was clear that the optimism was misplaced.

China's trade with Latin America replicates earlier patterns of Global North-South relations. Between 2010 and 2015, 84 percent of the exports from Brazil to China consisted of primary products, but 97 percent of Brazil's imports from China were manufactured goods.43 This is despite Brazil being one of Latin America's most industrialised countries. In the words of researcher Adrián Sotelo Valencia, China's engagement with Latin America has failed to bring about the replacement of the "extractivist dependent primary exporter model with one based on industry, the internal market and the export of manufacturing goods".44 Indeed, low Chinese production costs "are harming Latin America's chances for export production for the US and European markets." The restructuring of Latin American industry under cost pressure from China has resulted in the export of jobs from, for instance, the Mexican "maquiladoras" (low-cost assembly plants) to China.45

The partial replacement of dependence on export markets in the Global North with dependence on China left the structural weakness of Latin America within the global economy unchanged. When the commodities boom of the 2000s dried up in the 2010s, so too did Latin American growth, and the Pink Tide of left-wing electoral victories subsided. Indeed, the commodities boom actually reinforced Latin America's industrial weakness, even in Brazil under the neo-developmentalist reformism of the Workers' Party (PT; Partido dos Trabalhadores):

> The 2003-11 rise in raw material prices coincided with the consolidation of the trend towards productive specialisation in agro-business and predatory extractivism during the PT governments of Luiz Inácio Lula da Silva and Dilma Rousseff, together making extractivist capital the "driving force of the economy.46

The common economic interests between China's and Latin America's rulers are replicated in Africa. Of Africa's 55 states, 53 are members of the Forum on China-Africa Cooperation, and African ruling classes have welcomed deeper economic links with China. At the same time, US-Africa economic links have actually declined. In 2008, US two-way trade with Africa totalled $140 billion, but this fell to just $60 billion by 2018, partially due to declining demand for oil thanks to new extractive technologies.47 By contrast, China's two-way trade with Africa in recent years has averaged nearly $200 billion. A similar shift is underway in FDI. In 2011 the total stock of China's FDI in Africa was $16 billion, compared to $57 billion for the US.48 By 2018, China had a total of $46 billion sunk into African investments, while the figure for the US is $48 billion.49 On the basis of figures like these, the business press has carried many articles on China's challenge to US interests in Africa for the best part of a decade. Nonetheless, the significance of China's presence in Africa is exaggerated.

As with Latin America, China-Africa trade reproduces the traditional Global North-South pattern. China imports minerals and metals from Africa—in some years up to 75 percent by value is constituted by oil and petroleum—and in return exports consumer goods and low or medium technology manufactures. There has been much African criticism of the focus of Chinese FDI on extractive industries and the use of imported Chinese labour. Indeed, these workers are often served imported Chinese food and work with components linked to Chinese supply chains, but there are more significant reasons to reject claims that China's engagement with Africa signifies a wider shift in the world order.

Firstly, the $45 billion of capital inflows to Africa in 2019 are dwarfed by the $474 billion that goes to the developing economies of Asia and Oceania, and the $800 billion to the developed economies.50 Africa continues to receive only 2-3 percent of global FDI annually. Secondly, although US capital has been in retreat in Africa, this is not true of all Western capitals. In 2018, Dutch transnational capitals held the largest stock of FDI in Africa ($78 billion). France ($53 billion) and the UK ($49 billion) also have larger FDI stocks in Africa than China.51 These figures suggest that China is joining, rather than replacing, older imperialisms in the exploitation of Africa. This does not amount to a Beijing consensus emerging from shared interests between the ruling classes of the Global South. As East Asia scholar Wei Liang puts it:

> China does not share the interests that many developing countries have in delaying full external economic liberalisation. Indeed, China instead shares with the US and the EU a desire for bold trade liberalisation in developing economies, allowing easier market access to Chinese exports."52

The insertion of Chinese power into local politics also reproduces traditional patterns. Researcher Patrick Bond argues that China's role in Africa "has actually been even more predatory than Western corporations" and that this is helped by "support to local dictators".53 For instance, Robert Mugabe's regime in Zimbabwe benefitted from huge

Chinese FDI in the mining sector, including the Anjin Corporation, a joint venture between China and the Zimbabwean military. In return for access to Zimbabwe's diamonds sources, Anjin gifted the army $98 million to build a new defence college.54 Perhaps not unrelatedly, Chinese firms have been accused of violating the human rights of Zimbabwean workers. China also reportedly financed Mugabe's hiring of the Israeli firm Nikuv International Projects to undermine the integrity of the July 2013 elections, which returned him to power. However, although Beijing poses no fundamental threat to the overall rules of the US-led world system, the prospect of inter-imperialist conflict is increasing.

US-China rivalry today

The integration of China into the global system has generated enormous benefits for US capital, but the unintended consequence has been the emergence of the most powerful economic rival to the US since it became the dominant world power in 1945. In 1980, China accounted for less than 2 percent of the world economy, while the US made up 25 percent; today China's economy is roughly three quarters the size of the US. In key respects China remains far weaker and more vulnerable, but 40 years of growth have provided China's rulers with the means to project power globally. This has provoked concerns in the US that its future economic power is threatened and that its geopolitical and military influence faces long-term erosion. The strategic perspectives outlined above set the US and China on a collision course.

In the military sphere, US strategists consistently warn their allies of China's increasing military firepower. China's spending, according to the Stockholm International Peace Research Institute, has risen from $20 billion in 1989 to $266 billion in 2019. Although there has been a halving of China's troop numbers to 2 million, this is a result of its military modernisation and development of more advanced weapons and communications systems.55

Nevertheless, US complaints obscure reality to some extent. Chinese military spending is only 37 percent that of the US. The US remains capable of power projection on a vastly greater scale than China. Furthermore, the world is girded by US-centred military alliances built during the Cold War. The military spending of its allies tips the balance further in the US's favour, helping to explain why 32 percent of global arms sales in the first two decades of the 21st century have come from the US. China averaged just 4 percent in the same period. Despite claims that China represents a threat to US interest in Africa, the US accounted for 19 percent of African arms imports in the same period, while China accounted for just 7.5 percent.56

However, China's increased military power has allowed it to pose a threat to US military hegemony at the regional level. China's militarisation of the South China Sea and the US response—including frequent "freedom of navigation patrols" and reinforcement of security agreements with Asian allies—have been widely noted.57 This area is now one of the most militarily unstable regions in the world, alongside the East China Sea, which is bordered by US allies Japan, South Korea and Taiwan. Armed clashes in these areas are a distinct possibility.

Moreover, Asia's ruling classes have their own interests, and even those of its allies cannot be easily incorporated into the US strategic worldview. Other Asian ruling classs have profited from their links with China, which have encouraged industrialisation of their societies. These ruling classes are committed to deeper regional integration even if they remain wary of China. There is then an uneasy regional balance between common and rival interests, centripetal and centrifugal tendencies, economic integration and political fragmentation. The US has sought to tip these balances in its own favour.

Under Obama, the Trans-Pacific Partnership (TPP) agreement, from which China was excluded, formed the geo-economic counterpart to the US's military pivot towards Asia. It was designed to integrate much of Asia (as well as Australia, New Zealand, Chile, Canada and Mexico) more fully with the US economy. Though it was primarily a response to China's increased influence in Asia, Washington strategists were also conscious of Asian-led initiatives that resulted from the realisation that the US's interests are not always consistent with those of Asian states, including US allies. This had been made clear during the 1997 Asian financial crisis, when Japan's proposed Asian Monetary Fund was rejected by the US as a threat to the IMF, over which it exercises an informal veto due to the weighting of votes.

Trump's withdrawal from the TPP in the first days of his presidency in 2017 was greeted with delight by China's rulers. The decision was consistent with Trump's America First agenda, which implied disengagement from trade deals that might contribute to the export of jobs. Nevertheless, withdrawl was also a significant geopolitical risk. Trump's advisers presumably calculated that a combination of the size of the US market, its military prowess and the associated leverage over allies, alongside existing bilateral deals and trade agreements, ensured that non-China Asia would continue to orient on the US. However, Trump's decision produced consternation among US allies in the region. Led by Japan, they salvaged much of the TPP the following year in the form of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. Japan hopes the US will eventually join this new agreement.

The signing in 2020 of Asia's Regional Comprehensive Economic Partnership (RCEP), promoted by both the ASEAN and China, underlines China's determination to remain centrally involved in regional integration and to attempt to fill the void left by Trump's TPP decision. However, it is not clear that it involves a deepening of regional relations; indeed, in economic terms, it represents little more than a multilateral codification of existing arrangements, under which most of Asia already has bilateral free trade agreements with China.58 It involves a modest reduction in trade restrictions and is only expected to add 0.2-0.4 percent to regional output. Furthermore, it is consistent with the Washington consensus; in the words of Chinese prime minister Li Keqiang, it is a "victory of multilateralism and free trade".59 Nevertheless, the signing of RCEP highlights that, whatever US intentions, China has some common interests with other Asian states, who will not be easily prised from China's economic embrace. For China's rulers, meanwhile, RCEP offers small opportunities for trade expansion and increased economies of scale to enhance its modernisation, along with potentially longer-term benefits from regularising diplomatic and political interaction with its neighbours.

This should not be overstated. Participation in regional institutions may help resolve conflicts, but it does not overcome the competition from which they flow. The ASEAN-China code of conduct on territorial disputes in the South China Sea, for instance, has not prevented numerous armed confrontations involving all the coastal states in recent years. Moreover, joint membership of regional and global bodies did not deter Australia from being one of the first states to accede to US pressure and ban Huawei from its 5G network, in 2018, or from joining the US in calling for an enquiry into the origins of the Covid-19 virus. Nor did it deter China's imposition of trade restrictions that impacted on a quarter of Australia's exports to China in response to the call for a Covid-19 investigation.

A dialectic of cooperation and conflict also appears in the Belt and Road Initiative (BRI). The intention, according to Xi's speech in Kazakhstan in 2013, is to "forge closer economic ties, deepen cooperation and expand development space in the Eurasian region". The BRI is not a single coherent project but a vast and continually expanding catch-all programme involving trade and transport infrastructure projects (road, rail, sea and air), energy and power projects, and digital and fibre-optic telecommunications. It is estimated that $1 trillion dollars will be spent under the BRI over the next decade, and up to $8 trillion by 2050, on connecting 65 countries accounting for 30 percent of global GDP and 45 percent of the world's population.60 If successful, it would enhance China's influence in regions that have been central to US strategy since 1945. However, neither the romance that some attach to this "new silk road", nor the hyperbole, should blind us to the problems that have emerged.

Lending by the two state-owned banks charged with delivering the loans under the BRI has collapsed to $4 billion, from a peak of $75 billion in 2016.61 Meanwhile, close to 20 states have demanded a renegotiation of their BRI-related debts and complained about the conditions attached to the loans, notably that they should be spent on Chinese firms to deliver the projects. These firms, primarily the SOEs that are central to Xi's reassertion of -state-capital, are accused of inflating costs and a number of projects have been cancelled as a result. Malaysia has cancelled $22 billion worth of BRI projects, and in Kazakhstan there have been major protests against construction programmes, the criticism of China being amplified by its crackdown on Uighur muslims in Xinjiang. Even Pakistan, one of China's most important and long-standing allies, has complained about inflated costs and demanded renegotiation of its payments schedule.

The BRI also faces problems elsewhere. The ruling classes of Central and Eastern Europe (CEE) formed the "16+1" group with China in 2012 ("17+1" after Greece joined in 2019). In 2013, this initiative became entwined with the BRI and promised improved access to European markets for Chinese exports. EU leaders also feared a geopolitical dimension to the initiative, warning of increased Chinese influence in CEE that might hinder the EU from adopting coherent policies towards China. Indeed, in 2017 an EU statement to the UN criticising China's human rights record was blocked by Hungary and Greece.62

The CEE periphery of the EU, and its non-EU neighbours, were joined in 2019 by Italy, whose Eurosceptic leaders endorsed the BRI as a means to access Chinese funding and markets while reinforcing their anti-EU credentials. Nevertheless, the Chinese FDI anticipated by the European "17" has barely materialised. Just 4 of over 40 proposed infrastructure projects have been completed, most notably the Chinese purchase of the port of Piraeus in Greece. This economic underperformance has had serious political consequences for China.

In the last two years, most of the CEE countries have reassessed their relations with China. A few examples from many illustrate this. For example, the Prague city council replaced its twinning relationship with Beijing with a similar partnership with Taiwan's capital, Taipei, in October 2019. The Czech government would have known this would anger China, which does not recognise the sovereignty of the Taiwanese state that was set up under US sponsorship after the Chinese Revolution in 1949. A trade visit by Czech parliamentarians to Taiwan was announced a few months later. Other CEE states have taken pro-Taiwan decisions in recent years, and many joined with other Western states in criticising China's crackdown on pro-democracy protests in Hong Kong in 2020. Most have banned Huawei from 5G networks on national security grounds, and most refused to participate in a BRI video-conference in June 2020, underlining the rapid decline in China's influence in CEE. When the Czech delegation visited Taiwan two months later, China's foreign minister Wang Yi told the Czech Republic that it will pay a "heavy price".63 Despite these pressures, the Czech Republic, like much of the rest of CEE, has calculated that its economic links with China should not weaken its Western orientation.

The conditions attached to BRI loans underline the intertwining of the Chinese state and Chinese capital. Their mutual interpenetration, and overlapping interests, are also at the centre of efforts to move Chinese production up the value chain and deepen its technological base. The "Made in China 2025" industrial policy promoted by Xi plays a key role in this. Its ambition is to forge Chinese leadership in a range of high-tech sectors, including cloning, semi-conductors, the quantum internet, artificial intelligence and robotics. In line with this ambition, the state announced extra support to the electric vehicle sector in 2015, granting subsidies to a state-approved list of Chinese battery manufacturers. One of them, Contemporary Amperex Technology (known as CATL), is now the largest in the world, accounting for a third of global supply. Equally pronounced is the leadership of Chinese firms in other green technologies that are likely to experience huge expansion in the next few years. Xi highlighted the geopolitical dimension of the international rivalries at work in the science and technology field when he described it as "the main battleground of the economy". In that battle, the US remains the world's largest spender on research and development, and under Trump it began to challenge China's drive into new technologies head-on.

US-China high-tech rivalry

Media coverage of US-China relations in 2020 was dominated by wars of words over espionage, repression in Hong Kong and Xinjiang, student visas, and the origins of the Covid-19 virus. These disputes revealed how quickly the relationship has deteriorated, but they are also merely the surface level signs of a more deep-seated US-China rivalry. The key markers of this rivalry in recent years have been the 2018-20 trade war and conflicts over Huawei and other Chinese technology firms.64

US strategists' anxiety that their lead over China is closing (or has already closed) in strategically important technologies has produced routine accusations over the last decade that China is breaking WTO rules. These allegations often concern how the Chinese state subsidises its domestic capitals, particularly SOEs, and manipulates its currency.65 The evidence, however, is pretty thin: by early 2018 the US had made just 12 complaints to the WTO requiring a formal ruling. All these led to Chinese compliance and none were serious enough for trade sanctions to be threatened.66 Trump's 25 percent tariffs on nearly half of Chinese exports into the US and his moves against Huawei were not some punishment for the breaking of WTO rules but, according to the *Financial Times*, an effort "to constrain China's rise".67

In the short term, the Huawei episode revealed the limitations of US power. US chip makers initially bypassed the ban by re-routing sales via overseas subsidiaries. Huawei's purchases mushroomed by $18 billion in the first year of sanctions as it stockpiled for future production. Furthermore, resistance to US pressure on its allies to ban Huawei from 5G networks in the first half of 2020, notably Britain, underlined the persistence of rivalries within the West.68 The US ultimately prevailed and extended the ban on microprocessor sales to Huawei to any firm using US technology. This sort of extra-territorial jurisdiction is only consistently available to the world's major power. However, even then, according to the financial press, the long-term beneficiary will be China, which has increased support for its own microprocessor industry.

The short-term results of the tariff war were also negative, not least for American workers. Trump's "blue collar boom" failed to materialise and "supply chain interruptions and tariff-induced increases in production costs" increased prices of imported consumer goods.69 Yet if Trump's claim that China pays for the tariffs was false, and US efforts to constrain China have produced feeble results so far, the deepening US-China rivalry is likely to have more significant long-term economic consequences. In 2013, Jane Hardy wrote in this journal about "backshoring' as bosses rediscover lower wage costs on their own doorstep".70 Today there is widespread talk of "re-shoring" high-tech production and "de-coupling" the US and Chinese economies. There is a narrow economic aspect to this: rising Chinese labour costs make it a less attractive production site for Western firms. However, economics and politics are intertwined, and US belligerence reflects its drive to re-assert its power in strategic sectors. One of the world's largest microprocessor makers, Taiwan Semiconductor Manufacturing Company, has been enticed into building a $12 billion factory in Arizona. Taiwan's largest capitals have reassessed their Chinese operations and begun to shift production to locations where states are more compliant with US interests. Japan's state has encouraged Japanese capitals to disengage from

China and plans to help them to return to Japan or invest in other parts of Asia.71 Apple will continue to produce in China for the time being but is also setting up production in India.

In the long term, some commentators argue, global production systems could split into China-centred and Western-centred supply chains in key sectors.72 More likely is a limited decoupling in strategically important high-tech sectors. As the US Chamber of Commerce's China Centre argues in a 2021 report, any wider decoupling will have serious economic consequences for the US and may result in rival firms replacing US firms. Major German capitals, for instance, are already deeply tied into established supply chains. Similarly, although some electronics and IT firms have already shifted production to cheaper locations in Asia, including Vietnam and Thailand, most large Japanese firms are currently resistant to the state's promotion of disengagement and relocation. 73 Nevertheless, Biden seems set on retaining many of Trump's anti-Chinese measures, which would reinforce the unpredictability capitals face and force them to reassess their Chinese operations. Whatever the outcome, the signs of increased rivalry between the US and China are clear.

Conclusion—towards a new Cold War?

As the world's foremost capitalist power, the US is subject to what international relations scholar Doug Stokes calls "dual national and transnational logics": it promotes the interests of US capital and the US state while simultaneously seeking to secure the reproduction of capitalism as a world system.74 During the Cold War, it combined massive coercive force with hegemonic concessions that provided economic benefits to its rivals/allies, albeit within the framework of US-lead security zones that limited their political freedom of action and increased their dependence on the US economy. Nevertheless, despite the resilience of the US's power, and its frequent savagery, its relative economic decline is persistent. Faced with a powerful and assertive China, the US's room for manoeuvre has diminished. Trump's attempt to squeeze China bore the hallmarks of his narcissism and bullying personality, but was also consistent with a longer-term recognition by the US ruling class of the challenge posed by China's rise. Are we then heading towards a new Cold War?

If we expect contemporary replicas of the major aspects of the Cold War with the Soviet Union, we will be disappointed. China has no military buffer zone in the way that the Soviet Union did with its East European empire.75 There are no spheres of influence that each superpower largely acknowledges and refrains from overt interference in. There is no clash of universalist ideologies with the capacity to mobilise millions of supporters worldwide, and China cannot count on the support of sizeable Communist Parties in key Western countries. Nor is there a sharp economic separation of the East from the West; instead, China's trade surpluses have been recycled into the purchase of US Treasury bills and China, with over $1 trillion of these bonds, is the world's largest holder after the Federal Reserve. These purchases maintain the value of the dollar and thus the competitiveness of Chinese exports while also allowing the US to purchase more Chinese exports. China and the US are mutually dependent economically to an extent that the Soviet Union and US never were.

There is, however, one important difference between the Cold War and today: China poses a far greater economic challenge to the US than the Soviet Union did prior to its collapse in 1989-91. It lacks the capacity to fundamentally shape the rules of the global economy that the US enjoys, but is an imperialist power in its own right, able to access global sources of value creation and articulate its capitals with regional and global value chains.76 Whatever label we attach to the latest phase of US-China rivalry, it is intensifying.

Joe Biden is alert to the threat to US interests. As he wrote in *Foreign Affairs* as the 2020 election approached:

> The United States does need to get tough with China. If China has its way, it will keep robbing the United States and American companies of their technology and intellectual property. It will also keep using subsidies to give its state-owned enterprises an unfair advantage—and a leg up on dominating the technologies and industries of the future. The most effective way to meet that challenge is to build a united front of US allies and partners to confront China's abusive behaviors.77

Despite Biden's sometimes almost Trumpian choice of words, he prefers alliance building over unilateralism, as did his two immediate Democrat predecessors, Clinton and Obama. The national security strategies and foreign policy pronouncements of both presidents also referred to allies and partners, and both pursued multilateral approaches to many of global capitalism's problems. At the same time, both also reserved the right to pursue US interests unilaterally. Facing continued relative decline, hastened by a sharper impact of Covid-19 than in China, we can expect firmer US actions against China under Biden. For their part, China's rulers recognise that the relatively benign context surrounding Xi's "dream" of national rejuvenation is rapidly ending. They are likely to promote their interests more assertively in the coming years.

China's interests are more regionally concentrated than those of the US. Yet, far from diluting the US-China rivalry, this makes it potentially more destabilising due to its concentration in Asia. Christopher Layne, one of the more thoughtful conservative commentators on geopolitical strategy, argues that US attempts to hold on to its position of primacy in Asia "makes the prospect of a hot war ever more likely." As he notes, "Washington and Beijing have starkly different views of who should enjoy pre-eminence in the East China and South China Seas and Taiwan.78 Unable to afford the hegemonic concessions of the Cold War, and in any case increasingly unwilling to make them to its nearest challenger, the US is likely to combine much of Trump's America First agenda, which had been gathering pace before he came to office, albeit without his aggressive rhetorical accompaniment. Likewise, the CCP under Xi has promoted a harder nationalism —in school textbooks, in the media, with its emphasis on Confucian tradition and so on— in the face of external challenges and potential internal questioning of its legitimacy. The consequences of the Covid-19 crisis are likely to reinforce these tendencies, which will be further intensified in the deep capitalist crisis that looks increasingly likely in the next few years. The rivalry between the world's major ruling classes will then be revealed as offering nothing to the world's workers.

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Notes

1 Measuring migration is never entirely accurate, but a figure of 300 million migrant workers in China as of 2019 is commonly mentioned. Some 120 million of these migrate locally, many combining agricultural and urban employment. This leaves 180-200 million in the major industrial centres. On China's migrant workers, and the working class more generally, see Pai, 2013, Goodman, 2014, and China Labour Bulletin, 2020.

2 World Bank, 2021. Precision is less important than recognising the huge gulf between the US and Chinese economies in 2001.

3 Segal, 1999.

4 Wong, 2011.

5 The European Union has also adopted a tougher stance on China. Though recognising areas of cooperation, the EU's 2019 strategic outlook document described China as an "economic competitor" and "systemic rival". Despite this, the interests of EU-based firms ensure that European powers do not automatically adopt US positions. See European Commission, 2019, p1.

6 www.youtube.com/watch?v=viO4Nz7DyHI&feature=youtu.be&ab_channel=JoeBiden (http://www.youtube.com/watch?v=viO4Nz7DyHI&feature=youtu.be&ab_channel=JoeBiden)

7 Callinicos, 2009, p74.

8 Cliff, 1988. An excellent analysis of Mao's China from this state capitalist perspective is available in Harris, 1978.

9 Goodman, 2014, pp79, 88.

10 Ho, 2013, p813.

11 Harman, 1991.

12 Taylor, 2017, p182.

13 Hart-Landsberg, 2010, p27.

14 See Katz, 2015, on tension within the Chinese ruling class. Similar tensions explain why the part of the US corporate elite most committed to investment in China was hostile to Trump.

15 Callinicos, 2009, pp41-52; Lenin, 1969; Bukharin, 1987.

16 Woodward, 2017; Ledwith, 2020. Ledwith also criticised Woodward's tendency to "dismiss legitimate struggles" in Hong Kong and the Muslim-majority province of Xinjiang as largely "manifestations of CIA-sponsored subversion."

17 Gowan, 1999, pviii.

18 Cited in Sotelo Valencia, 2017, chapter 5.

19 Other Marxist theories of imperialism raise important questions. However, like Karl Kautsky's theory of ultra-imperialism in the 1910s, contemporary theorisations of US super-imperialism and transnationalism overstate cooperation and understate rivalry. For a critique, see Budd, 2013, chapter 6. Another perspective, grounded on the concept of the super-exploitation of labour-power in the Global South, can be found in Smith, 2016.

20 Harris, 1978, p215.

21 Cited in Sanger, 2001.

22 Fewsmith, 2001, p574.

23 Davis and Wei, 2020.

24 https://wits.worldbank.org/CountryProfile/en/Country/CHN/Year/LTST/TradeFlow/Export/Partner/all (https://wits.worldbank.org/CountryProfile/en/Country/CHN/Year/LTST/TradeFlow/Export/Partner/all)

25 Chun, 2013, p58.

26 Chung, 2009.

27 The Association of South East Asian Nations was originally an anti-Communist Cold War grouping, but it is now subject to the powerful attraction of China's economy.

28 Hoge, 2004.

29 Kaplan, 2005.

30 Subramanian, 2011, p68.

31 Dyer, 2010.

32 See www.globalsecurity.org/military/ops/ex-pacfleet.htm (http://www.globalsecurity.org/military/ops/ex-pacfleet.htm)

33 BBC News China, 2012.

34 Ye Zicheng, 2011, p72.

35 Blackwill and Tellis, 2015; Shoup, 2015, p12.

36 Blackwill and Tellis, 2015, p4.

37 Blackwill and Tellis, 2015, p12.

38 White House, 2017, p3.

39 White House, 2017, p2.

40 Hung, 2016, pp89, 152-3.

41 Taylor, 2017, p186.

42 Fernández Jilberto and Hogenboom, 2010.

43 Dantas and Jabbour, 2016, pp319-320. See also Jabbour, 2020.

44 Sotelo Valencia, 2017, p149.

45 Fernández Jilberto and Hogenboom, 2010, p9. See Upchurch, 2020, for a global view of extractivism and its impact on local environments and Indigenous peoples. Upchurch argues that local capitals are frequently willing accomplices of imperialism in extraction.

46 Sotelo Valencia, 2017, p146. At the end of the quote Sotelo Valencia cites Petras, 2014, p306. Sotelo Valencia mentions rivalries between the US and European, especially French, capitals and states in Brazil.

47 Another factor was the EU's Economic Partnership Agreements with African states, which underlines the inter-imperialist rivalries within the West.

48 United Nations Conference on Trade and Development, 2018, p38.

49 United Nations Conference on Trade and Development, 2020, p28.

50 United Nations Conference on Trade and Development, 2020, p8.

51 United Nations Conference on Trade and Development, 2020, p28.

52 Liang, 2007, p133. See also Hung, 2016, pp106-114.

53 Bond, 2015, p18.

54 Amisi and others, 2015, p108.

55 Stockholm International Peace Research Institute, 2020a.

56 Stockholm International Peace Research Institute, 2020b. See Hendrix, 2020, on China's arms sales to Africa.

57 See Heydarian, 2015.

58 There is a common misunderstanding that under the Washington consensus the WTO has removed most trade restrictions. In reality, there are 300 regional trade agreements in the world, with each state-capital complex seeking to negotiate the terms of its insertion into regional and global value chains. See World Trade Organisation, 2021.

59 Bulard, 2021, p7.

60 The $1 trillion represents, after adjustment for inflation, seven times more than that spent under the post-war Marshall Plan, according to Hillman, 2020.

61 Kynge and Wheatley, 2020.

62 Varano, 2020. See also Kavalski, 2020.

63 Zheng, 2020. Karásková and others, 2020, provides a more positive assessment of the "17+1" initiative, but nevertheless regards the scale of China's impact in CEE as small.

64 See Davis and Wei, 2020.

65 Similar accusations were thrown at Japan and the EU in the 1980s. Simultaneously, the US state was pursuing a huge industrial policy through Strategic Defence Initiative ("Star Wars") contracts, especially for IT firms. Clearly, the interdependence of capitals and states is not unique to state capitalism.

66 Levy, 2018.

67 *Financial Times*, 2019.

68 EU resistance to US pressure stems in part from its weakness in the high-tech sector. Growth sectors such as e-commerce and social media are largely dominated by rival tech giants based either in the US or China, and the EU is extraordinarily weakly placed to respond. This explains the EU's introduction of General Data Protection Regulation legislation, its legal challenges to Facebook and so on.

69 Huang and Smith, 2020.

70 Hardy, 2013, p119.

71 Bulard, 2021, p7.

72 Hille, 2020. See also Carouso and Tucker, 2020.

73 Obe, 2021.

74 Stokes, 2005, p230.

75 The Shanghai Cooperation Organisation, involving China, Russia, the Central Asian states, India and Pakistan, is not a mutual defence pact, but a loose grouping of states with a common interest in opposing Islamic radicalism and ensuring stability in post-Soviet Central Asia. In security terms China is relatively isolated. Meanwhile, India is part of an emerging cooperation, the Quadrilateral Security Dialogue (known as the Quad), alongside the US, Australia and Japan.

76 China has promoted the use of the Renminbi in world trade and as a reserve currency in order to access the benefits the US enjoys from the dollar's reserve status. Its use in Asian trade has tripled since 2010, making up one third of this today, while the use of the dollar fell from 22 to around 10 percent in the same period. Globally, h0wever, only 2 percent of trade uses the Renminbi, compared with about 40 percent for the dollar and 35 percent for the Euro.

77 Biden, 2020, pp70-71.

78 Layne, 2020, p47.

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