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Today's Interdependent World and China: Cooperation and Rivalry

The World Already at a Crossroads, But More Uncertainty Ahead

In a prevailing climate of the pessimism of 2019/2020 (and even fears of a possible large-scale crisis), a widespread belief was developing that our world is at some dangerous bend, which – even if luckily passed – leads further to some tough choices. The future appeared to be extremely vague, with a lot of crucial unknowns. Societies of many countries, in search of adequate leaders for such challenging times, faced fundamental choices. Present world realities became a combination of simultaneous cooperation with foreign partners (which became a necessity) and – open, or hidden – rivalry, often with the same partners. Eventually, the name of the game was future world leadership.

Many mature centers of world development, until recently driving forces of economic growth, visibly weakened. Most of the G-7 economies slowed their growth already at the end of 2019. In the description of these processes, recent renowned world reports referred² to “*increased risk*”, “*protracted uncertainty*”, “*weak dynamics*”. However, there were also elements of the global design, which, despite the momentary difficulties and particular, perhaps a natural change in the dynamics, did not undergo general erosion. For example, and for quite some time, the Asian Development Bank Institute has been promoting the idea of a great, global transformation, in which Asia and the so-called “ACI countries” (together ASEAN, China, and India) would play a lead role³.

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² IMF, *Regional Economic Outlook: Asia and Pacific*, October, Washington 2019; UNCTAD, *Key statistics and trends in trade policy* 2018, Geneva 2019.

³ P. Petri, F. Zhai, *Navigating a Changing World Economy: ASEAN, the People's Republic of China, and India*, “Asian Development Bank Institute Working Paper Series” 2013, No. 404.

However, predicting the future has become a daunting task. The contemporary world was full of genuinely unprecedented phenomena, and the future was like a gigantic ocean of uncertainty. An unprecedented trade war between the US and China, which has been developing in a tit-for-tat style parallel to some business negotiations, was already talked about without emotion, like a part of new everyday life – especially as similar struggles also occurred on other fronts. Protectionist tendencies began to develop even in countries that had previously pioneered in fighting against them. The world watched President Xi at the Davos Forum encouraging the US and President Trump to reject protectionism and support a free-market model.

It seemed that the time was approaching for cultural breakthroughs in the world. However, more and more countries faced challenges in their upcoming fundamental political and economic choices. There were chances for further positive changes on a global scale. However, at the same time, the societies of many essential world players, as rarely when, were divided into two opposite camps of almost equal parts, like those in the United States, the United Kingdom, or even Poland and the Czech Republic.

Together, this created not a good climate for bold economic projects and the creation of long-term economic strategies. The world community has learned a lot from the crisis of 2008–2009⁴ and was somewhat better prepared for the unexpected, but at the same time, we all were more afraid of any new crisis at times when the world has become so tightly interdependent.

Further globalization and a structural change in the global economy were full of unknowns. It was clear that the “golden age” of globalization had already passed. The processes continued, but they did not develop as spontaneously and dynamically as it had once been anticipated. Some experts (for example, Z. Madej in Poland) talked about a significant correction in globalization trends. Others even noticed completely new trends in the opposite direction and declared the end of globalization as we know it. The slowdown in traditional globalization processes was often referred to as the “*slowbalization*”⁵. At this stage, globalization became more difficult indeed than in the past (as, e.g., we were entering more and more the area of globalization in services), and a local competitor seemed to be much better prepared to resist competition from outside.

There was a huge spread of views and a search for coherent logic and new criteria to describe the ongoing processes. Some saw in these processes the

⁴ J. Kotyński, *Struktura gospodarki światowej*, [in:] *Stosunki międzynarodowe. Teoria i praktyka*, eds. A. Dorosz, Z. Olesiński, L. Pastusiak, Warsaw 2018.

⁵ *Slowbalization*, “The Economist”, 26.01.2019.

globalization of the “G-0” type – without a clear leader and hegemon. Others saw a global split into two competing parts (referred to as “G-2”). Still, others looked at the trends in technical progress and were discussing the globalization of the fourth generation (“G-4”) and the resulting consequences of the overall introduction of the digital economy, artificial intelligence (AI), and of the birth of a new type of technocracy aiming at global leadership.

For ages, the increase in trade was the best recipe for the flywheel of economic activity in countries, regions, and the whole world. In the second half of the 20th century, this prescription was supplemented by the desired multilateral trade dimension. However, the international institutions in which high hopes were once placed eventually failed. The World Trade Organization (WTO), the successor of GATT (General Agreement on Tariffs and Trade), was paralyzed for quite some time by a clash of differences in interests by particular groups of countries, their structural problems, and, more recently, by actions by the Trump administration to block the selection of crucial dispute judges. Originally the GATT, and later the WTO, was supposed to be something like a “club of civilized trading partner countries” and introduce “predictable”, rule-based trade that respected accepted and relatively unchanging principles.

While the United States has had some success in disputes placed with the WTO (e.g., the EU subsidies for Airbus and several complex disputes with China), President Trump generally had never much confidence in the WTO. Many experts claimed that the United States practically returned in the President Trump era to its action style from the GATT times when America used to act as a kind of a “policeman” of international trade *de facto* settling major disputes on its own. President Trump declared on many occasions his lack of approval for the WTO decision-making process and its enforcement. In view of some – in his opinion “unfair practices”, he preferred to decide about the appropriate retaliatory measures on behalf of the United States on his own. In particular, he was keen to take some China-US disputable trade issues literally into his own hands⁶.

By the Trump era, not much was left from the perfect multilateral trade system. The international trade was instead operating within a myriad of detailed (mainly bilateral) agreements. Significant intercontinental agreements have stalled in their negotiations or discussions regarding implementation details. After years of preparations and negotiations under the Obama administration, the integration agreement of the Pacific region – also promoted by Japan,

⁶ *China and America. A new kind of cold war, Special Report*, “The Economist”, 18.05.2019; *Global trade. It's the end of the World...*, “The Economist”, 30.11.2019.

bypassing China, the leading regional player completely – was eventually not implemented in its original shape as President Trump withdrew the US support. Only after the Trump election defeat, was it about to regain its new life now under the RCEP formula and with China's participation.

The United States-China trade war continued at various negotiations and finally became more difficult to track. In January 2020, another agreement to reconcile the confrontation was announced. The United States would eventually abandon the introduction of new, increased duties on certain Chinese products and lower some already existing rates. At the same time, the Chinese side has committed itself to increased purchases of American agricultural products. However, it seemed to be a never-ending story of negotiations in the same style as immediately after announcing the deal. The US side added that this was only a "phase one" of the final agreement.

"Phase two", which has been demanded for a long time by the United States and which the Chinese side was still working on, aimed at more profound systemic changes in existing trade mechanisms on the Chinese side in order to "level the playing field" for honest business competition (among others – at the level of the exchange rate mechanism, rules of subsidization, public tenders and investments). According to the American side, it should help create a more balanced business rivalry. All in all, with significant differences in economic interests and the perception of the current status of trade, such negotiations, in a tug-of-war style, could have lasted practically forever.

Global Interdependence and the Chinese Factor

Increasingly, the modern world has become and should be seen as a classically interdependent system. Here, each element of such a complex layout determines the position of the remaining elements, but – through the position of others – it also decides about its position – just like balls thrown in bulk into an empty bag. A growing awareness of global interdependence can be noticed nowadays at the overall economic and political level or in more detailed areas, such as the host of issues related to global climate change. There is also a widespread sense of global responsibility stemming from such interdependence – we are more aware that we are co-hosting a single planet, which has to be well taken care of in terms of resource management, environmental protection, as well as – and most of all – in terms of the avoidance of a devastating conflict.

The processes of expanding the thinking horizons of the world community to the "global" ones and related new dilemmas have been present for quite some time, especially in the context of the new boundaries of the open-world

around us – its governance and the sharing of the fruit of human activity. Especially at the turn of the 20th century, the Chinese factor emerged as a key one globally and still rapidly started gaining importance. It was quantitatively and qualitatively a whole new element of our perception of world issues⁷. The “new” China somehow automatically disrupted the old order of things and the whole routine associated with it⁸.

The Chinese issue quickly proved to be a complex problem – both in intellectual terms and in the very practice of economic life⁹. It was not only necessary to come to terms with China's new role in the world and to integrate China into an existing global interdependence system, but it was also necessary to accept (which in practice sometimes proved even more difficult) the current aspirations of the new superpower and its society¹⁰.

It seems that the current, fundamentally interdependent, global system that should be taken into account is a multilateral and hierarchical arrangement. At the very top of this complicated structure, it has several critically important “nodes” of bilateral economic and political relations among “traditional” superpowers. At least three should be mentioned: the USA, the European Union (with Germany as the leading economic component), and the Russian Federation¹¹. Each of them also has its own military position in the world – individual or as a member of broader treaties. At present, each of the “nodes” has some specific relations with China, becoming more important and unique. As a result, a complex, multidirectional stream of vectors of specific individual interests and interdependence is emerging, which should be well understood and considered when discussing contemporary political and economic relations in the world and the role of “the Chinese factor”¹².

More than 40 years have already passed since Deng Xiaoping introduced reforms in China¹³. As a result of these reforms, not only has the Chinese

⁷ An interesting synthesis of this phenomenon is presented by W. Szymański in his recent book *Era autodestrukcji*, Warsaw 2019.

⁸ A. Amighini, *China's Belt and Road: A Game Changer?*, Milano 2017.

⁹ F. Godement, *Czego chcą Chiny?*, Warsaw 2016.

¹⁰ W. Hübner, *Nowa rola Chin. Jak ją zaakceptować?*, „Prace Naukowe Uniwersytetu we Wrocławiu” 2016, No. 30.

¹¹ W. Hübner, M. Rybicka, W. Wieszczycka, *Inicjatywa Pasa i Szlaku – parametry strategii Polski*, „Kwartalnik Nauk o Przedsiębiorstwie” 2018, No. 4.

¹² Though already very complex, the resulting image remains still simplified when verified with the real life. In fact, the official political and economic attitude of the country in question, vis-à-vis its partners although seemingly uniform outside, also has its own complex and time-changing internal structure.

¹³ B. Góralczyk, *Wielki Renesans. Chińska transformacja i jej konsekwencje*, Warsaw 2018.

economy efficiency and potential dramatically changed, but China has gained a fundamentally new position in the globalized world. China has been catching up and outperforming other economies and actively shapes the trends and proportions of the global economy. More than 40 years of Chinese reforms have brought, first of all, impressive success in the implementation of the main objectives of the original reforms. It can be added – the success achieved by China's skillful use of the Western world's mechanisms and rules and the use of ongoing processes of globalization. It is widely believed that China has become – already at the end of the 20th century – the world's champion in using the world's classical globalization processes for its development¹⁴.

However, the story does not end there. After realizing the initial success, China has gradually become aware of its limitations (both on the supply and demand side) that could only increase over time, parallel to the growth potential and production levels. The strategy may have required some adjustment. However, one could also look for some new opportunities in the future. Over time, China's aspirations have been growing, and a new strategy gradually developed. At some point, China has found the right key leader in implementing an ambitious plan. President Xi declared in 2013 his intention to resurrect the tradition of the historical Silk Road – a mechanism of the most famous trade route in the history of humankind that connected both ends of the Eurasian supercontinent for more than 17 centuries. The tradition became the main inspiration and key symbol crucial to launching the “*Belt and Road Initiative*” project. It immediately defined a new phase of China's economic expansion strategy globally and became a central project for the entire Chinese foreign policy¹⁵.

This unprecedented¹⁶, still sprawling and open for newcomers, a megaproject should be seen, as already mentioned before, on the one side – as an attempt by China to address its problems and development constraints and as an initiative aimed at applying a new recipe for success at a more advanced stage of globalization – on the other.

It seemed that modern China wanted to seal their past success in production and trade under mechanisms of traditional globalization by a gigantic, global project of a new type. According to initial Chinese declarations, it in-

¹⁴ Compare interesting remarks on the evolution of globalization processes by Z. Madej, *Kolejna kolejka czy koniec globalizacji?*, unpublished discussion materials for the Economic Institute of the Polish Academy of Sciences, Warsaw 2020.

¹⁵ W. Hübner, *Szlak Jedwabny i Chiny. Historia i dzień dzisiejszy*, Warsaw 2018.

¹⁶ Though for some, reminiscent of the ideas of the post-war Marshall Plan – even with fierce protests for such a comparison by the Chinese side.

tends to co-create a new strategic infrastructure for transport and trade in the win-win style and implement a whole range of other detailed subprojects scattered around the world.

The *Belt and Road Initiative* is becoming a central tool for China to actively shape current and future globalization processes. It is a significant shift in the center of global gravity and a significant adjustment in the perception of all global issues. It worth noticing that at the same time, more and more modern world communities gradually reject the Europocentric, or traditional Western view on the evolution of our civilization, where the West is the main and sometimes even the only heir to the ancient culture of Greece, Persia, and Rome¹⁷. The simple straight line of historical development becomes more complicated and multi-prong.

Apart from the depth of Chinese spiritual, cultural components, there is – also culturally specific (probably along the lines of the ideas of dual opposite and complementary forces) – tremendous trust by the Chinese in real and tangible physical accomplishments. The modern Chinese Initiative allows direct action to create physically strategic infrastructure for trade and transport and co-finance a whole range of other projects virtually worldwide. This globalization of the new type, drawing on the possibilities created by the newly launched megaproject, can be considered a new form of approach to globalization in general and perhaps even deserves to be called “the globalization with Chinese characteristics”.

The size of the whole project is gigantic, its scope is truly global, and the project period is expected to reach the mid-21st century, so it could help celebrate the 100th anniversary of the creation of the PRC. We are the witnesses to the process in which the historical Silk Road mechanism, once integrating and helping develop the world of antiquity and the Middle Ages, becomes a critical phenomenon inspiring today's political, economic, and cultural expansion of China. The idea of the “new Silk Road” refers both to the historical Chinese creativity and the great Chinese inventions, one of which was silk, and the extraordinary phenomenon of the historical Silk Road – a timeless symbol of peaceful cooperation.

¹⁷ In his major study published as a book, Prof. Frankopan attempts to chart history with no characteristic Eurocentrism notoriously present in Western education, however, despite a more generally different perspective, actually chooses for a hero another ancient empire, namely Persia, and as for China – even on some maps he did not find enough space to develop the whole picture, see P. Frankopan, *The New Silk Roads*, New York 2015. In another example, Christopher Beckwith puts at the heart of the overall analysis of the Central Asian community – even those that have historically lost their struggles, but in the opinion of the author are still heroes of medieval history and our civilization; see Ch. Beckwith, *Empires of the Silk Road*, Princeton 2009.

The *Belt and Road Initiative* reflects the aspirations of the newly emerged superpower. A decade after the most significant collapse caused by the world's global economic and financial crisis, we are witnessing the creation of an essential element of its new architecture. However, the Chinese initiative comes to be implemented under challenging conditions – at a time when the world is looking for a new long-term balance. The global nature of the project means that China's modern hybrid economy, which uses both market mechanisms and central decision tools, must work with a large variety of national economies representing diverse economic and political systems.

The geopolitical dimension of the *Belt and Road* project automatically follows the economic impact. From the very beginning, President Xi Jinping referred to¹⁸ China's Asian partners as a "community of common destiny", adding slightly later a new thread of thought on correcting, or rather "supplementing", the existing world order, albeit without an intention of its thorough revision. Now, we are witnessing how this project is transforming into a global, flexible economic initiative that does not have a single, precise definition, rigid operating rules, or an official list of participating countries. Theoretically and declaratively (by the Chinese side), virtually any country that recognizes the principles of peaceful economic cooperation can join it. However, the project does not serve and cannot be used to fulfill individual political goals.

Each intention to join the *Initiative* is considered individually and separately with varying and flexible procedures of mixed political and business feasibility study characters. The expected benefits for the parties involved are being considered and assessed. Each sub-project is intended to bring mutual economic benefits (the *win-win* principle). However, it may have to vary from case to case detailed financial parameters – from "hard" commercial financing to softer requirements.

We need to think deeply about what the *Belt and Road Initiative* is. Instead of rolling back and forth of the nature of originally announced strategic "development belts" on almost all continents, we should probably admit that the intention of the Chinese side is not a modern reconstruction of the powerful, historical mechanism of trade, nor radical improvement of selected development corridors, hubs, and transportation links, but rather the creation of conditions conducive to the emergence of new ties, both economic and non-economic, between modern China and the rest of the world¹⁹.

¹⁸ Xi Jinping, *Chińskie marzenie*, (*The Chinese Dream*), Warsaw 2018.

¹⁹ In his recent book Bruno Macaes writes point blank: the BRI is ...*the Chinese plan to build a new world order to replace the US-led and still existing international political and economic order* (Macaes 2018, p. 5).

There are some analogies with the mechanism of the historical Silk Road, which was a joint achievement of the societies of antiquity and the Middle Ages²⁰. The Silk Road mechanism of trade connected oases and large cities along the route connected Europe with Asia and bonded the various components of the region. Over the centuries, the Silk Road demonstrated the power of economic mechanisms (especially the power of trade) and demonstrated the importance of accompanying cultural interaction forming and transforming our civilization. The resulting “cultural melting pot” had shaped the critical vectors of civilization in which we now live. Therefore, the historic Silk Road has become a powerful symbol of development through peaceful economic cooperation – a symbol of an idealistic, alternative path to our history based in fact on violence – permanent wars and conquests.

With regard to the historical Silk Road, the very course of this commercial route – from which point to which, through which cities and oasis, what were the main routes, what branches and their reach – have been often fervently discussed. However, the contemporary American historian, Christopher Beckwith, is one of those who try to shift the understanding of the essence of the Silk Road mechanism from the romantic legend of merchants and travelers on camels – resulting in a simplistic image of wandering caravans – to the very essence of this mechanism – the *way of functioning* of historical communities, in which, and above all, the leading role of trade²¹ may be noticed.

The historical Silk Road that connected essential oases and later – Eurasian major cities, and generally East with the West, confirmed the key direction of people's migration, the flows of trade in goods, and worked toward integrating the supercontinent. Historically, trade was the driving force behind development. Most of the societies of antiquity and the Middle Ages were functioning according to a similar pattern, of which the Silk Road was the outstanding and pure example. Beckwith points out that even clashes between nomadic and sedentary tribes did not, as a rule, take place if both sides could exchange goods without greater hindrances. Tensions, on the other hand, arose when local authorities imposed bans or significant restrictions on trade. The trade mechanism was shared, which is why most modern researchers tend to talk about “Silk Roads” in plural, or trade routes in general, rather than about just one such huge phenomenon.

²⁰ Xinru Liu, *The Silk Road in World History*, Oxford 2010.

²¹ This is the historical role Persia and Turkey have seen for themselves for centuries and virtually until now. The same holds true for Byzantium – in a more distant past.

With all the importance and attention paid to individual subprojects of the modern *Belt and Road Initiative* – the corridors created, or planned hubs for commerce and super modern transportation lines, the most important, however, is a new, holistic concept of globalization, which we may even call here the globalization with Chinese characteristics. It is no longer the usage of the existing mechanisms of the West. It is an attempt to create own reality on an ongoing basis actively. Ultimately, China could be aiming to lay the foundations for a new, revised global order in the world, although, paradoxically, the current one opened for China the way to the very top.

The Chinese recipe for success in the current conditions of changing and the globalizing world is therefore two-prong. On the one hand, it is based (continuation of the old strategy line) on creating conditions for the formation and support for the large world-class enterprises capable of competing on a global scale with the most potent foreign rival. On the other hand – we are witnessing a creation of new facts on a global scale – building our footholds for trade and transport on a global scale (such as construction, together with foreign partners, of strategic railway lines and new road networks, seaports, and hubs, as well as cooperation on a global scale on a variety of other projects). Ultimately this could only mean a gradual economic expansion in the world and a broadening of the sphere of soft influence with repeated declarations (however complicated to implement under current realities) of political neutrality and not engaging in internal matters conflicts of particular countries.

The Chinese side is talking lauder and lauder about the need for a “new globalization”²², where particular subjects not only automatically see local phenomena in a global context or easily buy and sell on a planet-wide scale, but can also, e.g., directly build the necessary infrastructure for that. The thinking of this type contains some elements of the cultural specificity of own country but simultaneously requires an extraordinary coordination effort on a scale that only the most prominent international organizations of the world have attempted to take up so far. It requires, e.g., theoretical and practical knowledge of the cultural characteristics of partner countries and a highly efficient decision-making and logistics mechanism, not to mention the essential economic efficiency.

Therefore, we have another example of the hybrid approach in the Chinese economic model. At one end, we have a solid trust in global competition – the selection and allocation system based on a market mechanism that can guarantee the success of own leading companies (including the faith in their re-

²² See materials prepared by the Chinese government for the 2019 Boao Forum for Asia.

search capacities, creativity, and ability to innovate, as in the case of research on the latest (5G) version of the Internet, or on the application of Artificial Intelligence – AI). On the other end, we notice a strong belief and conviction that all this should be done parallel to the creation of concrete and tangible, rather traditional (though top-notch according to the current technical standards) facts of life, like building and developing a specific, state-of-the-art infrastructure for the world transportation system and trade: railway lines and large hubs for logistics purposes.

However, the Future Depends on Ourselves

As Kai-Fu Lee predicts²³, the rivalry between China and the US will take place in AI research and its application. He also notices that an unclear possibility of a breakthrough in such research is the source of a considerable measure of uncertainty regarding the future, as it can set further directions for the technical progress in general. However, the current era is not an era of great classical breakthroughs like the historical achievements (the steam engine, electricity, or radio) based on the foundations of physics, neither the work on the first A-bomb. Potentially, again according to Kai-Fu Lee, this could be, for example, a new type of the so-called “deep learning”.

However, this is an era of specific AI applications and the introduction of further improvements in the detailed algorithms used – the era of minor improvements (by smaller format inventors of “DIYs” type, as Kai-Fu Lee puts it). However, maybe one bigger contest could be needed to develop a new chip specially designed for AI purposes. Otherwise, if no breakthrough in an unexpected direction takes place, then – in about 5–6 years, as Kai-Fu Lee predicts – from the current rivalry between the two biggest tycoons in this field, China, the country which is now only trying to catch up with the United States – the undisputed leader in this field so far – may emerge as a winner.

Some studies and reports, e.g., by McKinsey Global Institute²⁴, prove that the world depends more on China, not the other way around. In their early stages, Chinese reforms were a source of clear benefits also for the outside world. Among other things, they resulted in lower world market prices for the consumer. Companies worldwide have discovered new business opportunities and, in general, the dynamics and scale of the Chinese market. However, these

²³ Kai-Fu Lee, *AI superpowers. China, Silicon Valley and the New World Order*, 2018 (in Poland: *Inteligencja sztuczna, rewolucja prawdziwa*, Poznań 2019).

²⁴ McKinsey Global Institute, *China and the World. Inside the dynamics of a changing relationship*, Pennsylvania 2019.

changes also had their specific cost, connected, e.g., with job losses for the middle class, particularly in wealthy Western countries.

One can only wonder – especially in the context of the rise of protectionist tendencies and increasingly strong geopolitical emotions – whether we will not have to deal with a new trend of the weakening of China's ties with the external world? As a result of rising tensions and the US-China trade war, a search for substitute producers for those blacklisted by the US has started. We have had numerous new cases of cooperation where Japanese and Taiwanese companies have replaced as partners the Chinese ones. On the other hand, the strengthening of Sino-Russian cooperation in strategic areas, including the defense sector, is visible.

Today's rivalry is complex. In the typical accompanying assessments, the unusual personal style of dealing with such matters by President Trump, who was accustomed only to business-type negotiations, was highlighted. However, it seemed that the whole thing was not about the style of negotiations and the game of concessions, although they tend to attract attention on the surface. It was more about crucial structural issues. It was a clash of different general concepts of governance by the elites of the two countries.

Today, although only relatively recently, the world recognizes China's potential and top-ranking places in the field of innovation²⁵, technical progress, and scientific research²⁶. In a climate of fierce rivalry, the awareness of China's place and leading role at the top of the global hierarchy and purely economic comparisons based on hard facts have been accompanied recently by reflections of a more subjective social and political nature. Some Western doubts have come down to questions on how the achieved substantial economic and scientific potential is used by a political system different from the Western-type democracy? How are the fruits of these successes ultimately shared within the society?

On the world scene, the competing sides struggle with each other by using mainly soft tools of influence (e.g., sophisticated propaganda delivered via various information channels); however, from time to time, they also hint to remind about their political and even military potential. The processes of classical competition or economic expansion are becoming increasingly politicized. However, deeper layers of wisdom, understanding the mechanism of interde-

²⁵ The World Bank's Policy Note, written by S. Yusuf and M. Piątkowski, about globalization in the context of STI diffusion contains very interesting observations; *The Future of Open Innovation: China and the World*, December 2019.

²⁶ Even without immediate, direct and practical application, such as the research in the so-called Dark Matter.

pendence, and a sense of responsibility for our globalized world suggest that a historic compromise is needed. The practical benefits of such a solution are visible and realized by both sides.

All in all, the current incredibly complicated, multidimensional situation, including the vectors of rivalry, but above all, the imperative of cooperation requires bold moves and solutions – decisions are made not on a unilateral basis, but solutions agreed at the very top among all key superpowers. It would be an unprecedented approach for today's standards, but the scale of the task is also unprecedented. Kai-Fu Lee, an author of a bestseller book quoted earlier and a top business leader with unique insights into super-modern technologies that will most probably shape the future, shows the pointlessness of such a rivalry in the face of the vastness of a completely new quality of our life in future and future technologies, which can create practically a never-ending variety of applications of AI, even in areas which we can already identify from today's perspective. At the same time, the winning of the rivalry becomes for each side (even without major declarations, consciously or subconsciously and not only for the leaders but also for significant parts of each society) a particular obsession and means a classical defeating of the other side.

However, we have reached a point where the rivalry, if it is not to end with something other than an ultimate disaster, requires an agreement between the competing parties and a mutual belief that the partner's success can also be everyone's interest. It calls for a new level of trust, excellent communication, and the ability to set common goals. In this case, China faces a fundamental challenge of convincing other world superpowers that their new vision of globalization (including the *Belt and Road* project) can be implemented based on its new global openness and fair-style competition.

Can China open a new chapter in the history of globalization, which rejects traditional geopolitical confrontation? The model of globalization with the restoration of the tradition of the Silk Road is as noble and beautiful for the intentions and assumptions, as it is challenging to achieve in an era of uncertainty, ever-present but hidden rivalry, and the complexity of the modern world. Each stumble is closely observed and exposed by western mass media and the colossal watching analytical research machine²⁷.

As for the BRI itself, China must overcome some significant 'external' challenges – despite all existing barriers, achieve effective cooperation with a wide range of culturally, politically, and economically diverse partners – each having

²⁷ S. de Jong, W.Th. Oosterveld, M. Roelen, K. Klacansky, A. Sileikaite, R. Siebenga, *A Road to Riches or a Road to Ruin? The Geo-economic Implications of China's New Silk Road*, The Hague 2017.

detailed specifics. On the other hand, China must also meet the systemic “internal” challenges and adjust to universal requirements of high economic efficiency and adequate financing of the whole operation. If the concept is to succeed, the specific economic system of modern China needs to adapt accordingly, and large companies in the state sector, or close to it, must learn to interact effectively with much smaller companies such as in, e.g., Uzbekistan, or in traditionally market-based Pakistan. What could the future be – in general²⁸ and in the details, some of which we have indicated here? Can China become, as some Chinese experts declare, a “new type of emerging superpower” and open a “new era”? Can the results of the launch of the *Belt and Road Initiative* remain only a complement to the already existing world order without being considered by the world community as an attempt aiming at its thorough revision?

Can China convince its key existing rivals about the positive aspects of their new vision of globalization? It is the crux of the matter, and these are all critical questions in thinking about our shared future. The answers are not easy to formulate, especially as a vision of tomorrow has to include a prediction concerning a dialogue among two or more sides and a set of dynamically changing feedbacks by all sides involved. These certainly include, first of all, tremendous challenges at all possible levels for modern China – a candidate for a new world leader.

The Pandemic Factor

On top of all this, at the beginning of 2020, the news of unprecedentedly rapid spread (and its disastrous impact) of the virus first discovered in China (the so-called “coronavirus”, or SARS-CoV-2) started dominating in the international media.

The virus was first discovered in China. Due to the rapid spread of the disease, including mortality rate increase, some sensitive hubs of modern civilization with intensive interaction among people and industrial, trade, and tourist centers were brought to a standstill. Many national borders were re-established, new cultural patterns of social behavior started emerging along the lines of social distancing up to temporary lockdown of individual citizens. It could create the “new normal” trend of new behavior and new, long-term cultural patterns, different in each community but with some noticeable common denominator.

²⁸ The dilemmas of this overall vision, in a multidisciplinary and largely innovative way, are illustrated, for example, by the Y.N. Harari in *Homo Deus. Short story of tomorrow*, Kraków 2018.

The impact, in our opinion, is not through the actual scope of the infections and fatalities – this is often within the regular seasonal flu and other diseases. It is rather through the psychological working (necessity of self-isolation, constraints on free movements, the nature of risks – invisible, hidden virus ready to attack everywhere – a new unknown earlier feeling to most of the people and then – the economic consequences of isolation that bring many operations to a standstill.

Has the pandemic outburst created a new situation – can we talk about the simultaneous cooperation and rivalry before the pandemic as one reality changes to a different one? What is the message from this change of scenery for China, and what is the message for the West?

Predictions for 2020–2021 show, after an initial decline, the reasonably strong performance of national economies of China and India (GDP rate of growth in the range of 1–2% in 2020, as contrasted with negative growth in wealthiest economies of the West and the whole world, and the rates of 9–7% predicted for 2021 (WEO 2020).

It was, unfortunately, a classical (in this case – rather extreme) example of the impact of unusual, external intervention in economic and political life by factors beyond our control (the concept of “external shocks” in an economy). It happens from time to time that usually unpredictable, or difficult to predict, factors, e.g., natural disasters such as major earthquakes) change the path of growth of national economies, their components, or even whole regions – all proportionately to the scope of interrelation and interdependence in the segment of the world concerned.

Globalization has been working both ways. Positively – amplifying what we can accomplish locally, however, also makes all local ends vulnerable to what is happening at other interconnected points of activity in other places. In the Middle Ages, it brought the Black Death pandemic to Europe from as far as the neighborhood of the Himalaya mountains.

The contemporary Chinese economy has been supporting and adding its dynamism to sensitive parts of virtually most of the segments of the global economy. The epidemic has become a completely new, unprecedented development of global proportions. At this stage, we can only hope for the best and trust in our ability to control the spread of the virus and the soonest possible invention and then completion of the vaccination process on the planet we share.

We are witnessing unusually challenging times of unexpected shocks and turns in the development of our global economy, where the future depends more and more on us – our ability to find creative solutions in a crisis and our resolve and discipline.

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Today's Interdependent World and China: Cooperation and Rivalry

Summary

The author examines the importance of the "Chinese factor" in today's world from the perspective of current phenomena such as particular political and economic uncertainty, and examines them against the background of global cooperation and parallel – unprecedented competition at the same level.

Globalization processes have taken place over the centuries, but have gained particular importance in our present day. However, they continue to evolve; however, we have left “the golden age” of globalization (1990–2010) already behind us and the related processes are more difficult now. They have acquired new characteristics and for a new success requires application of entirely new recipes.

China ever louder talks about the need for a “new” globalization, in line with its new aspirations as a pretender for the global economy’s leadership position. The *Belt and Road Initiative*, launched in 2013, has been in the center of its vision. It has become the foundation for China’s foreign policy in the horizon of at least the middle of XXI century. It could be designed to re-confirm the unprecedented China’s economic success of the past four decades, which to a great extent could be derived from a skillful use of the “traditional” mechanisms of globalization. In the *Belt and Road Initiative*, China sees the prescription for overcoming emerging internal tensions and difficulties and the new way to a global success.

The author examines the emerging at this stage, complex challenges for today’s China and the Belt and Road Initiative, that can be defined as “external” and dependent not only on own Chinese decisions. They stem e.g. from the need to overcome many barriers and cultural differences between China and its countries-partners in the *Belt and Road* project. On the other hand, the author identifies some “internal” challenges of systemic nature. Their reduction, and sometimes even abolition, depends mainly on mechanism applied independently by the Chinese side.

Keywords: China, globalization, uncertainty, cooperation and rivalry, the Belt and Road Initiative, external challenges, internal-systemic challenges

Сегодняшний взаимозависимый мир и Китай: сотрудничество и соперничество

Резюме

Автор анализирует важность «китайского фактора» в современном мире и с точки зрения таких современных явлений, как преобладающая особая политическая и экономическая неопределенность завтрашнего дня, и на фоне меняющихся процессов глобального сотрудничества и в то же время беспрецедентного соперничества на этом уровне. Процессы глобализации происходят на протяжении веков, но они стали особенно важными в нынешние дни, и мы видим, как они продолжают развиваться.

У нас уже прошел «золотой век глобализации» (1990–2010). Сегодня процессы глобализации, безусловно, сложнее и взяли на себя новые характеристики. В этом контексте, повторение прошлого успеха со сто-

роны Китая не может полагаться только на использование рецептов, которые когда-то привели к успеху.

Китай громче и громче говорит о необходимости новой глобализации и имеет новые стремления как претендент на позицию лидера мировых структур. В основе видения Китая была инициатива «Один пояс и один путь», начатая в 2013 году, которая является и будет фундаментом внешней политики Китая, по крайней мере, до середины этого столетия. Эта инициатива может подтвердить беспрецедентный успех Китая за последние 40 лет, во многом благодаря умелому использованию традиционных процессов и механизмов глобализации. В рамках Инициативы «Один пояс и один путь» Китай видит рецепт преодоления возникающих внутренних напряженностей и трудностей и способ достижения новых успехов в глобальном масштабе.

На данном этапе автор анализирует команду возникающих вызовов для современного Китая. Некоторые из них можно охарактеризовать как «внешние», не полностью зависящие от самого Китая. Они возникают, например, из-за необходимости преодоления барьеров многочисленных культурных различий между странами – партнерами Китая по проекту «Пояс и путь». С другой стороны, автор видит ряд ограничений и «внутренних» вызовов – системного характера. Их сокращение и отмена могут решаться независимо китайской стороной до тех пор, пока она сможет соответствующим образом улучшить свою собственную экономическую систему.

Ключевые слова: Китай, глобализация, неопределенность, сотрудничество и конкуренция, Инициатива «Один пояс, один путь», внешние вызовы, внутренние системные вызовы

JEL Classification: O53, P47, P59