

# Beijing Consensus: Beijing "Gongshi." Who Recognizes Whom and to What End?

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## Preface

In this position paper, Professor Arif Dirlik, a notable specialist in Chinese and in intellectual history, examines the concept of a Beijing Consensus. The concept was originally broached by Joshua Cooper Ramo in an essay published by the Foreign Policy Centre in the United Kingdom in 2004. Since that time, the concept has taken on a life of its own, particularly as the economic strength of China and India increase and countries in the so-called "developing world" begin to test the power of the United States of America in new ways. In this paper, Professor Dirlik uses this debate to reflect on why the concept has taken off in this way, the nature of Chinese capitalism, and alternatives to capitalism in the present context. In discussing China's search for retaining autonomy in a globalizing world, his work also helps with the interpretation of autonomy offered by Professor Yu Keping in his position paper, "Globalization and Autonomy in China."

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## The Beijing Consensus

In this paper, I offer a critical discussion of the notion of a "Beijing Consensus." I juxtapose the English and Chinese terms above, because they carry slightly different meanings. Mutual or common recognition does not add up to a "consensus." In fact, consensus is a hegemonic term that is more readily recognizable in this particular context with reference to the "Washington," rather than the "Beijing," consensus, but it is not entirely absent in either case.

I describe "Beijing Consensus" as a notion, rather than as a concept or an idea, because it does not have any of the coherence that we associate with either of those terms. An article in *Foreign Policy* (2 September 2004) entitled, "Too Much Consensus,"<sup>1</sup> goes through a number of "consensuses" formulated over the last decade to make the point that consensus has become a fashionable and, therefore, less than reliable indicator of anything significant. The original Washington Consensus has been followed in the course of the decade by the Monterrey, Copenhagen, Beijing, and Mexico consensuses. In other words, "consensus" is a good sales word. As the authors of the *Foreign Policy* article observe wryly, "what better way to market your idea than to tag it a 'consensus,' suggesting that it's a grand unifying theory."

On the other hand, it seems, from a cursory survey of articles on the Internet, that the term Beijing Consensus, having gained currency over the last two years, is applied to anything that happens in Beijing, regardless of whether or not it has to do with a "Chinese Model of Development," or even with the People's Republic of China (PRC) per se. Women's organizations or labour union meetings held in Beijing now lay claim to a Beijing Consensus.<sup>2</sup> It is because of these confusions that even those who are sympathetic to the notion refuse to commit themselves to anything like a definition or even a

description of what "Beijing Consensus," or a "Chinese Model of Development" may mean.<sup>3</sup> I would like to suggest that the term derives its meaning and appeal not from some coherent economic or political position but from its suggestion of a pole in the global political economy which can serve as a gathering place for those who are opposed to Washington imperialism.<sup>4</sup>

The term Beijing Consensus was popularized by Joshua Cooper Ramo in a paper published by the Foreign Policy Centre in Great Britain in 2004, entitled, "The Beijing Consensus: Notes on the New Physics of Chinese Power." It seems that the term itself was coined sometime in the mid-1990s. Ramo's contribution was to conjoin it to a Chinese model of development. We owe Mr. Ramo a debt of gratitude for rephrasing a problem that has been on the global political agenda for at least the last decade, but which calls for a fresh approach on "how to deal with China," as he puts it. On the other hand, a close examination reveals that Mr. Ramo's own essay suffers from the uncertainties bred by a period of radical change in global transformations of power, as well as his own entrapment in the discourses of neo-liberalism — discourses that the notion of a Beijing Consensus is intended to displace, if not replace. Even a cursory examination of the essay reveals fundamental contradictions in its structuring, of which Ramo takes note and simply bypasses or disguises through rhetorical tropes that cloak mundane observations in the respectable guise of a "physics of power," or the infallibility of science, in other words. The problem is that Ramo's physics is as faulty as his political economy and, in the end, the "Beijing Consensus" appears, more than anything, to be a sales gimmick — selling China to the world, while selling certain ideas of development to the Chinese leadership.<sup>5</sup> The question then is why, despite its evident flaws, the notion has acquired currency in some quarters, and not among those such as Mr. Blair for whom it was intended, but among Third World constituencies.

I will take Ramo's essay as my point of departure here because, as flawed as his analysis may be, the very notion of a Beijing Consensus opens up ways of thinking about the contemporary world situation that are very much worthy of attention. While few have paid attention to what Ramo had to say about the Chinese economy, it is the anti-WTO possibilities of a Beijing Consensus that have attracted the greatest attention, testifying to deep dissatisfaction with the neo-liberal globalization project of which that organization is an expression.

A serious confrontation of the Chinese economy requires recognition of the increasingly important role that the PRC has come to play in the world economy. It is equally important to recognize that the successes of the Chinese economy as it has developed over the last decade also account for its failures, raising questions about the very idea of a "Chinese model." The most important elements of a Beijing Consensus, or a Chinese model are not accidental products of a Chinese cultural situation but of a socialist legacy that refuses to go away despite efforts to erase it in China and abroad. "Beijing Consensus" or a "Chinese Model of Development" both have antecedents in the so-called "socialism with Chinese characteristics" that marked three decades of revolution, and gave ideological articulation to "localization" of global forms. Finally, the Chinese model, so-called presently, may be not an alternative to, but a way to salvage, a capitalist world economy that is unprecedented in its destructiveness, by suggesting the sustainability of such an economy rather than its final demise. In portraying socialism as part of a "tradition" to be overcome rather than as the source of the Beijing Consensus, Ramo's essay is very much part of a contemporary discourse that, by his own admission, seeks to erase the past, so as to concentrate on a future that, also by his own admission, should be beyond any consideration of contemporary welfare, focusing instead on the processes of development. What he offers is a "Silicon Valley Model of Development" that has little to do with the national situations to which he would like to speak.

## Beijing Consensus, or a Chinese Model of Development

Ramo writes that,

China is marking a path for other nations around the world who are trying to figure out not simply how to develop their countries, but also how to fit into the international order in a way that allows them to be truly independent, to protect their way of life and political choices in a world with a single massively powerful centre of gravity. I call this new centre and physics of power and development the Beijing Consensus.(2004, 3-4)

This new "physics of power," according to Ramo, may be encapsulated in three "theorems." The first theorem "repositions the value of innovation": "Rather than the 'old-physics' argument that developing countries must start development with trailing-edge technology...it insists...on the necessity of bleeding-edge innovation to create change that moves faster than the problems change creates." The second theorem "demands a development model where sustainability and equality become first considerations, not luxuries." Finally, "Beijing consensus contains a theory of self-determination, one that stresses using leverage to move big, hegemonic powers that may be tempted to tread on your toes."

In Ramo's conception these three "theorems" combine to form a single developmental structure, and rightly so. The problem is what is left out of the analysis, and the author's failure to confront the contradictions, which he recognizes, but only in passing, as if they had no bearing on the procedures of economic development that account for China's developmental success. This is especially evident in his discussion of the first and second "theorems." Despite the question raised by many analyses of whether or not the Chinese economy has reached the level of self-sustaining innovation, Ramo attributes Chinese development almost wholly to an unwavering commitment to "innovation." In his wording, innovation is rendered into something of a utopia and, like most utopias, conveys its message more through rhetorical extravagance than substantial demonstration. He writes,

Innovation is a way to increase the density of Chinese society. It binds people together via webs of connections, it cuts time-to-reform, it makes communication easier and faster. And the better the innovation, the greater the density and the faster the growth. You can see this at work all over China. You can also see it *not* working, in parts of the culture that have been hollowed-out cylinder like by lack of trust, corruption or other problems. This leads to the first Beijing Consensus Theorem: the only cure for the problems of change is more change and more innovation: innovation density saves.[Emphasis in the original.](Ramo 2004, 15)

This utopianization of innovation is what I had in mind when I referred to the "Silicon Valley Model of Development." Indeed, the explicit references to Moore's and Metcalfe's Laws,<sup>6</sup> suggest that Ramo conceives of contemporary life in terms of "rules" established by the workings of cyberspace. There is no reference in his analysis to the part played by transnational corporate investments, to the cheap supply of mostly obedient labour that is responsible for bringing in the investments in the first place, and the allures of a China market which, even with a middle class that encompasses less than a quarter of the population, promises more consumers than France, Germany, and Japan combined.

There is, however, another problem with Ramo's understanding of innovation, which renders innovation into a fetish with a life of its own, free from contamination by social and political goals, as he would have it. As Chinese society faces the challenges of political and economic transformation, there is a great deal of innovation at work in the search for new forms of governance. Such a search

is anything but goal-free; on the contrary, the search for "political form" is subject to all the ideological uncertainties and tensions of a society seeking a way out of its revolutionary past without completely abandoning the historical legacies of revolutionary socialism. In this particular sense, the present is continuous with the past. It is not too much of an exaggeration to observe that China has been something of an experimental society for the last century, and the experiment continues in the present. The Silicon Valley model of development fetishizes one mode of innovation, and tacitly privileges the social forces that favour that particular mode, while erasing alternative and politically significant innovations that point to a search for different configurations of social forces.<sup>7</sup>

Even more peculiar is the absence of attention in the essay to those who are left out of, or marginalized by, the new developmental policies. While China has been developing at breakneck speed over the last ten to fifteen years, not all Chinese have shared equally in that development. Ramo observes that development has brought almost a quarter of the population above the US\$1 per day line of abject poverty, but he fails to note that with the marketization of society, both urban-rural and class differences have sharpened, and 75 percent of the population (mostly in the rural areas) has hardly any access to basic needs such as medical care and education. As one source has observed recently, "though China has hundreds of millions of people living on a dollar a day, it is creating middle class affluence on a scale and at a speed unprecedented in human history" (*New York Times*, 25 May 2005).

Ramo underlines his reference to innovation "not working," as if to indicate emphatically that he recognizes the problems created by so-called innovations. He does. But what he says in one part of his essay seems to be forgotten as he moves to another. He writes, for example, that

China's market dynamism has brought all sorts of problems. On the macro level these problems include pollution, social instability, corruption, mistrust of the government and unemployment. On a personal level, all but the youngest Chinese find themselves at least somewhat disoriented by the rapid change in their lives...In the last 25 years, China's economy has moved from one of the most equitable in the world in terms of income distribution to one of the most inequitable.(Ramo 2004, 24)

It is remarkable that the author, having recognized such problems, can then turn around and skirt them in his diagnosis of a Chinese model available for emulation by others. The promise of innovation to resolve the problems created by innovation obviates the need to recognize these problems not as contingencies but as the structural products of a neo-liberal export-oriented economy. This calls into question the validity of his second "theorem," that "sustainability and equality become first considerations, not luxuries."

It is interesting that while integrated development (at least in appearance) has been an important source of appeal of the Chinese model among Third World leaders, such development is presently more wishful-thinking than reality. While China may be unlike many other Third World countries where development is concentrated in one or two metropolitan centers, the growing gap in development between coastal cities and the vast hinterland has been of immense concern to the government. Ramo himself writes that, "where the front page of *People's Daily* used to be characterized by images of top leaders opening airports in coastal cities, the paper is now more likely to carry a report of a top leader urging reform in some poor rural area" (2004, 21). He recognizes the costs in pollution of economic development, and "the social risks of uneven development," which is evident in the pervasive instability across the country against class exploitation, corruption, and pollution. But there is little analysis of the structural sources of these difficulties, which are swept

aside by a faith in the ability of an abstract notion of "innovation" to resolve them. The Chinese model in this perspective appears not as an alternative to the neo-liberal Washington Consensus, but more as a method of moderating its spatial, social, and political consequences *within* the parameters set by that consensus. It remains to be seen whether or not it may succeed in doing so, and check the slide of the social structure toward the sharpening class divisions of advanced capitalist societies that are now in the process of globalization as well.

This may also be the key to the realization of the third goal, or, as Ramo would have it, "theorem." This quest for self-determination is the other important source of appeal of the so-called Chinese model in the Third World. I think it is here that the so-called Beijing Consensus offers a genuine alternative to the Washington Consensus; not in the economy or social policy, but in reshaping the global political environment that is the context for economic development. The PRC has opened up to the globe economically but, much to the chagrin of groups ranging from Reaganite conservatives to labour leaders in the United States, has managed nevertheless to preserve its political autonomy and sovereignty. A recent study by a Chinese American scholar, Colleen Lye (2005), observes perceptively that over the century and a half of relations between the United States and China, it has been an American dream to convert China to capitalism, which turns into a nightmare the moment the conversion begins to show signs of success. This, of course, has been part of a larger global project. Globalization itself has presupposed the conversion of the globe into capitalism under the aegis of the advanced capitalist societies, most importantly of North America and Europe. On the other hand, globalization has derived much of its substantial reality from the sprouting of localized capitalisms that unifies the globe, but also divides it in new ways. Contrary to ideologues of globalization, the craving for autonomy and self-determination has not disappeared from the globe; on the contrary, it may have acquired renewed force from the proliferation of global institutions and communication, complicating notions of autonomy and self-determination by adding new demands to already existing ones.

Ramo makes a good case that in the PRC, the search for autonomy and self-determination has taken the form not only of maintaining controls over the economy internally, but also by taking a multilateralist approach to global relationships which contrasts sharply with the increasingly unilateralist direction US policy has taken over the last two decades. The most important aspect of the Beijing Consensus may be an approach to global relationships that seeks, in multinational relationships, a new global order founded on economic relationships, but which also recognizes political and cultural difference as well as differences in regional and national practices within a common global framework. This global order would also be founded, not upon homogenizing universalisms that inevitably lead to hegemonism, but on a simultaneous recognition of commonality and difference. Deng Xiaoping's reforms beginning in the 1980s gave priority to economic intercourse over political correctness.

In the pursuit of these goals over the last two decades, the PRC has emerged as a counter to US economic and political hegemony without directly challenging the United States. What is also remarkable is the willingness of transnational corporations, including US transnational corporations, to go along with Beijing's policies internally and externally. Ramo's Beijing Consensus may be read also as a consensus among global corporate capital to go along with Beijing. World-systems analysts from Andre Gunder Frank to Giovanni Arrighi and Immanuel Wallerstein have argued for some time now that the center of the capitalist world-system is in the process of relocating to East Asia. The realignments around Beijing may be further evidence of such a shift, so long as we keep in mind the spatial reconfiguration of East Asia due to the phenomena I referred to above — most importantly, the new spatial and social divisions that make it difficult to speak of East Asia in terms of national surfaces or socially and culturally homogenized national spaces. East Asia, in other words, is being

reconfigured as it plays an increasingly central part in the global economy. The PRC seeks to integrate itself not only with East but also with Southeast Asia and the Pacific. There has been talk also of China, India, and Brazil as forming a new Third World triangle to counter the economic and political domination of Europe and North America (Harris 2005). These new networks are not just economic and political but also geopolitical, pointing to a new kind of competition over global resources.

Beijing may be on the rise as a new center of gravity of the Third World, or the Global South, as is preferred these days. It might be seen as a Bandung for the age of global capitalism when the issue is no longer overcoming colonialism or finding a "third way of development," but the inclusion of the voices of the formerly colonized and marginalized in a world that already has been shaped by a colonial modernity to which there is no alternative in sight — the world of global modernity.

Whatever name we give it, a global consensus against a hegemonic empire has far-reaching implications not only for international relations but also for the solution of problems internal to societies.<sup>8</sup> The global domination of neo-liberalism rules out the formation of autonomous social and political spaces that are necessary for the pursuit of social justice and welfare within nations. Where it is not possible to establish any kind of a clear demarcation between the inside and the outside, an alternative global order premised upon the recognition of local particularities and needs may be the indispensable condition of such a pursuit. It is no longer possible to entertain hopes for, or confidence in, "delinking" from global capitalism as a means to this end. The search for answers to global problems must itself be global in its vision. In the particular case of the PRC, "the opening and reform" (*gaige kaifang*) of the last three decades is irreversible. There is every indication that the PRC may well end up in a complete assimilation to global capitalism. But there are other possibilities as well, and their realization may well depend on the ability of the post-socialist regime to pursue a reconfiguration of global forces to counter the universalistic pretensions of neo-liberalism. A century of revolutionary socialist search for autonomy, bolstered by recent economic success, qualifies the PRC eminently to provide leadership in the formation of an alternative global order.

### **Back to the Future: Beijing Consensus — Socialism With Chinese Characteristics — Chinese Style Socialism**

Over the last two years, the notion of a Beijing Consensus seems to have acquired a life of its own, and it is possible to encounter it in a variety of contexts without any reference to the original essay by Ramo which placed it on the agenda of international development. The search for an alternative to neo-liberal globalization no doubt has played an important part in provoking interest in the implications of the term, especially in the Third World, but in the formerly Second World as well. Dissatisfaction with the "shock therapies" of neo-liberalism came to a head with the Asian crisis of 1997. Successful economic development of the PRC has made it into the envy of the developing world, and writings from abroad frequently focus on the ability of the Beijing government to pursue its own agenda as a major reason for that success. The Brazilian leader Lula da Silva expressed his admiration for the PRC and its ability to pursue an integrated development, and to globalize without giving up its autonomy and sovereignty (*La Insignia*, 22 May 2001).<sup>9</sup> Beijing in turn has intensified its efforts to engage in multilateral agreements that have contributed to its positive image around the world and, with it, the prestige of a notion of Beijing Consensus. The appeal of the Beijing Consensus no doubt has also benefited from the decline of US prestige globally with the unscrupulous use of American power under the current administration, intensifying concerns for the need to find an alternative model of global development to that represented by the United States. Whether or not a Chinese model can serve such a purpose is another question. Ramo rightly points to "localization" as

an important aspect of China's participation in the global economy. In a global perspective, localization, needless to say, points to the importance of tailoring development policies to local needs, which of necessity are different from one location to another. In this sense, I think it is important to draw a distinction between a Beijing Consensus, which points to an alternative global organization, and a Chinese model that answers to the particular needs of Chinese society. The distinction is similar to that of an earlier day, when the Chinese model referred to a particularly Chinese path of socialist development, without repudiating the global necessity of socialism.

It is all the more important, given the urgency of these questions, to keep a perspective on the contemporary situation. The undeniable success of the development of the Chinese economy should not blind us to the problems created by the very same success — problems which ironically are in those very areas that attract the admiration of outsiders. The PRC economy is by no means integrated but suffers from severe uneven development in both spatial and social terms. Levels of pollution have reached such severity that they have become an additional cause of public suffering and disturbance. While there has indeed been a remarkable growth of wealth in certain sectors of the population, and an explosion in the size of the urban middle class, the majority of the population has experienced a decline in basic welfare.

For all its ability to keep neo-liberalism at arm's length, the successes of the Chinese economy are attributable, in the end, to successful manipulation of a neo-liberal global economy, as are the problems it has produced. The Wal-Martization of society would seem to be gathering in strength, and there is every evidence of the spread of a consumer culture not only in major urban areas but in the countryside as well. The PRC, in terms of its structuring of power internally, increasingly approximates global class divisions, with its own fraction of a transnational capitalist class.<sup>10</sup>

It is equally important to remember, in considering these problems, that those aspects of development that attract outside observers are not products of this neo-liberal economy but legacies of the socialist revolution. Integration of the national economy, autonomous development, political and economic sovereignty, social equality are all themes that are as old as the history of the Chinese revolution which in the end found expression in the socialist revolution. One author has observed recently that a crucial element in the success of the post-1978 reforms was that they built "on the achievements of the earlier regime."<sup>11</sup> Post-1978 developments are used these days to discredit the policies of revolutionary socialism of an earlier period. It is also possible to state not only that those policies laid the economic, social, and political foundation for China's autonomous path into globalization, but also that it is the same foundation, now in the process of crumbling, which secured the minimum social welfare that enabled participation in a neo-liberal global economy.

How these developments will end up remains to be seen, but it seems at this crucial juncture that some reconsideration of the now abandoned socialist policies of social welfare and integration is very much in order. The question is too important to be left to the workings of abstract notions of ceaseless innovation. Socialism is, after all, attention to public policy against the vagaries of the market or of innovation, and the ends of development (in contrast to development as an end) are very much a matter of public policy.

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## Notes

1. The article is available at *YaleGlobal Online* <http://yaleglobal.yale.edu/article.print?id=4466> (accessed 13 January 2006).

2. See, for example, the article "Trade Unions Launch Beijing Consensus," *China Daily* (11 October 2004) at [www2.chinadaily.com.cn/english/doc/2004-10/11/content\\_381430.htm](http://www2.chinadaily.com.cn/english/doc/2004-10/11/content_381430.htm) and the document "No to US Unilateralism, Reaffirm Beijing Consensus: Statement of Latin American and Caribbean Women's Networks and Coalitions" 3 March 2005 at [www.womensmediapool.org/notas/Amlateng.htm](http://www.womensmediapool.org/notas/Amlateng.htm). (This document also refers to Liam and Mexico consensus). See also Dr. Nafis Sadik's paper, "Population and Sustainable Human Settlements," United Nations Conference on Human Settlements, Istanbul, Turkey, 4 June 1996 at [www.un.org/Conferences/habitat/eng-stat/4/trk4p.txt](http://www.un.org/Conferences/habitat/eng-stat/4/trk4p.txt). This document confirms that the term "Beijing Consensus" predated the article by Ramo.

3. See the conversation between Wu Shuqing (former President of Beijing University and currently Chair of the Instructional Committee on Economic Teaching of the Ministry of Education) and Cheng Enfu (Director of the Shanghai School of Economics Research at the Shanghai University of Finance and Economics) in "The Washington Consensus and the Beijing Consensus" *People's Daily Online* (20 June 2005).

4. See, for example, Patrick Bond's paper, "A Third World Challenge to Washington" at the *Alternative Information and Development Centre* website: [www.aidc.org.za/?q=book/print/78](http://www.aidc.org.za/?q=book/print/78)

5. I am referring here to Ramo's assertion that "the mass density of ...objects affects the speed at which they move [under gravitational force, in his example]" (2004, 15), which was refuted by Galileo at the very origins of modern physics! What makes the difference is friction, not mass.

6. Gordon Moore and Robert Metcalfe are two important figures in the development of the Internet.
7. For a discussion of earlier experiments, see (Dirlik 2005a). For a discussion of the search for new forms of governance, see Yu Keping et al. (2002) *Zhongguo gongmin shehuide xingqi yu zhilide bianqian* (The emergence of civil society and its significance to governance in reform China) Beijing: *Shehui kexue wenxian chubanshe*.
8. For another suggestion in the search for alternatives to US-led neo-liberalism, see (Held 2004). The PRC is likely to be crucial to any such search because it is uniquely situated between the second and third worlds of the former "Three Worlds," as analyzed by Mao Zedong in the 1970s, or the European North and the South of the present.
9. This article is available at: [http://lainsignia.org/2001/mayo/econ\\_016.htm](http://lainsignia.org/2001/mayo/econ_016.htm). I am grateful to my colleagues Ana Candela and Carlos Aguirre for their help with translating this article.
10. For further discussion of these tendencies, see (Dirlik 2005b).
11. Kavaljit Singh, "From Beijing Consensus to Washington Consensus: China's Journey to Liberalization and Globalization". This paper was previously available at the Asia-Pacific Research Network website at: [www.aprnet.org/journals/6/v7-3.htm](http://www.aprnet.org/journals/6/v7-3.htm). See also (Dirlik and Meisner 1989).