

An Edited Transcript from a Round-Table Conference on Authoritarian Capitalism

Glasshouse Forum

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Executive summary

Azar Gat presented his ideas which form the basis for this roundtable discussion. Since the beginning of the 1990s the idea that history inexorably leads to a triumph for a liberal capitalist society has had a dominant position in the West. In this way the antagonism with the former superpower Russia and the coming superpower China will turn into the manageable friction which characterises relations between democratic states. It is time to realise that this may not be so, maintained Gat. These authoritarian capitalist great powers are perhaps here to stay.

It is naive to believe that a liberal capitalist society has to be perceived to be the most attractive alternative, continued Gat. Communism, fascism and National Socialism during the last century exercised a strong power of attraction on those people who, after the First World War, were disillusioned by the market economy and liberal democracy. Despite the national or racist context, they exercised an attraction on other groups.

Communism defeated itself. Its system was so ineffectual that it was deselected from history. Fascism and National Socialism were defeated by others, and one cannot draw conclusions that are too far-reaching about the developmental potential of these systems from that. Germany was too small to be able to dominate the world. It is a historical accident that the US is both huge and a democracy. If this had not been the case, then the 20th century would have taken a different course. It is not out of the question that authoritarian capitalist states can be successful economically, and appear as alternatives to liberal society. A model of this kind is perhaps not to be found yet, but both China and Russia are at the beginning of their transitions and may eventually develop models.

A Chinese model may have its starting point in the so-called Asiatic values and may in association with nationalism create an ideology which gradually can take on the mantle of communism. China is much larger than Germany, and will presumably not be defeated in war. Its weight will successively become felt more and more, and China will act in a more self-confident manner the stronger it gets, said Gat. There is in any case a potential for a different

kind of modernity here.

The introductory discussion centred upon whether it was feasible to deal with Russia and China together in this way. Geopolitically they form a potential block (Feng Zhang) but the distrust between them is today extreme (Johan Lagerkvist). There was unity about them differing in significance. Russia is a problem today, not least for Europe, which does not want to perceive the character of the regime and lacks a strategy for mastering its dependence on Russian energy and money (Edward Lucas).

But the economic development of Russia will be impeded by the defective system of rules (Yevgenia Albats) and this type of corporative regime (bureaucratic military authoritarianism) is very expensive, as loyalty on the part of the security services, the army and the administration has to be purchased. Russia lacks the ability to regain its superpower position, and is in the long term a waning problem. Albats feared, however, that the regime would for its legitimacy mobilise the Russian Orthodox tradition and in this way would have similarities with Nazi Germany. The decisive impediment to a development of this kind is that Putin's elite wants to be accepted in the West. Lucas feared a climate characterised by a mixture of nostalgia for Tsarist Russia and the Soviet Union with semi-fascism.

China is currently causing less friction, but is in the longer term the greater challenge to the USA and the West both through its own strength and its power of attraction. Will China become a model for other states, an alternative modernity showing the way to prosperity and power without liberal democracy? Feng Zhang conceded that this is a strain that is heard increasingly often in China, but found it imprudent at the current time to proclaim it a model. The problems remaining to be solved are huge, and the prerequisite for China achieving a position of that kind is that economic growth does not lose its impetus. Nor is there any unity in China as to what the future course should look like. The Chinese elite is not characterised by what has been called the Beijing consensus. Johan Lagerkvist also emphasised that the regime is marked by uncertainty, and that it is groping its way forward to discover what works for China. A gradualism of this kind provides little opportunity for ideological

rivalry, as its general recommendation is that everyone must start from their specific conditions and find their own way.

Mark Leonard, on the other hand, claimed that even today there is a considerable element of ideological power struggle, and that the climate of Chinese debate had changed markedly. Instead of discussing how they can draw closer to the West, more and more intellectuals today are talking about a Chinese path which does not comprise liberal democracy. But it is not certain that the label authoritarian helps us to understand the Chinese system, claimed Leonard. The political changes have in actual fact been just as great as the economic ones, but have not been noticed in the West. The regime is experimenting today with other opportunities of finding support through, for example, focus groups, and should perhaps be called a deliberative dictatorship.

The Chinese do not alone control whether they should be regarded as a model. If, in other parts of the world, people regard them as an alternative to a western model, they will in this way be forced into such a role. Sten Widmalm illustrated the Chinese and Indian advances in Africa, and pointed out that Chinese capitalism in a short time has succeeded in achieving greater development than western aid ever did. They have not least succeeded in breaking those patterns which are called clientelistic. Many African leaders prefer to relate to the Chinese, who have no views on internal political circumstances. This means, according to Widmalm, firstly that the opportunities of combining aid and the promotion of democracy have changed for the worse, secondly that there is cause for the West to re-examine its aid policy.

A moot point was the role of India in this regard. Does the country offer a democratic model for development? Gat claimed that India is at the beginning of its modernisation, and that democracy will be put under pressure when it takes off. Widmalm had a more positive view of Indian democracy, but pointed out that, in its relations with China, India tended to swap liberal values for market goals.

If China does not develop into a liberal democracy and at the same time becomes a superpower, what consequences will this then have for the region and for the world? A Chinese superpower will

increasingly react like the USA, explained Feng Zhang, because that is the way that superpowers act in international politics. A possible scenario is that we acquire a bipolar world order, which is dominated by the USA and China, in the same way as the Cold War was dominated by the Soviet Union and the USA. A constellation of this kind has the advantage that it provides stability and predictability. The likelihood of a direct military confrontation between the superpowers is, according to Feng Zhang, minimal. A multi-polar order on the other hand will be very much more difficult to assess and would contain greater risks of confrontations.

Irrespective of who becomes the next president of the USA, foreign policy will reflect the ideological shift away from “fukuyamaism”, claimed Gideon Rachman. All the candidates will in the short term seek co-operation with China, as the price of confrontation is so high. But in the longer perspective a confrontation cannot be excluded. If we experience a return to authoritarian capitalist great powers, the question of the spheres of interest has to be resolved.

Diana Pinto asked the question whether the world today is not too financially integrated for conflicts to be possible. The world was admittedly globalised before the First World War and retreated from this, but perhaps there is a major difference today, as the integration is financial and not merely industrial. Azar Gat doubted that it would be more difficult to dissolve ties of this kind, and did not rule out the idea that China would take the initiative to a more autarchic order. The country is, of course, a huge market in itself.