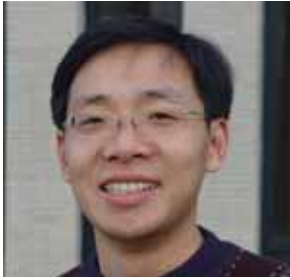


THE 'BEIJING CONSENSUS' DOES-N'T ACTUALLY EXIST



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Exclusively for RJ

When Professor John Williamson created the term 'Washington Consensus' in the early 1990s, he mainly referred to ten doctrines, among which are the free market, minimal state regulation, minimal governmental interference, the free flow of capital, fiscal discipline, etc. To sum up his ideas, 'let the market do its job'.

In 2003, upon witnessing the failure of global neo-liberal reforms, Goldman Sachs economist Joshua Ramo published an article, in which he coined the term 'Beijing Consensus', putting forward an alternative concept to the 'Washington consensus'.

However, in my personal opinion, **the Beijing Consensus doesn't actually exist!** Even among Chinese economists themselves, there is no unified position with respect to what the policy portfolio should be, and what direction we should be moving in. As a result, over the past twenty years, a mixture of liberalism, mercantilism, socialism and something else has emerged within China.

China's experience actually has a lot of in common, rather being contradictory to the so-called 'Washington Consensus', although it does involve some revisions. China encourages free trade, but has an obvious preference for developing its exports because China needs to provide tens of millions of

job opportunities in its manufacturing industry. China encourages foreign direct investment while, at the same time, retaining tight control of the exchange rate for foreign currency. The state believes in privatisation by selling off businesses to private owners, but only to owners of small and medium-size enterprises, and definitely not doing so with respect to the 'vital and strategic industries' of the country.

From the end of the 1940s through to the end of the 1970s, China was mainly taking lessons from Moscow, and between 1979 and 2008, China was mainly learning on the basis of lessons from Washington. **In the coming years, China will come to focus on the experience of Europe.** China wants to usher in a harmonious society, as well as a harmonious region based on a model similar to that seen in the European Union today.

Will China's experience become a widely accepted consensus? I do not know. China does not have any religious tradition to the effect of 'saving yourself by saving the world'. The Chinese tend to believe that everyone should, first and foremost, take care of himself.

China would like to see the continuation of the globalisation process, even if it happens to still be led by the USA. ■

THE VIRUS OF NEO-LIBERALISM IS MUTATING



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The so-called 'Washington Consensus' is dead, but a new order has not yet established itself. The fact that neo-liberalism has proven itself to be not only a terrifying moral, but also a practical disaster is evidenced by the financial crisis born in 2008, which continues to persist through to this day. The end of this historical cycle is still nowhere in sight. Washington saved Wall Street (with taxpayer's money) and everything has returned to a system that is basically *business as usual*.

Neo-liberalism was never an established set of 'globally accepted rules'. Rather, it was imposed by Washington, under the Clinton presidency, and nicely packaged under the attractive brand of "globalisation". It eventually boiled down to the more or less undisguised plunder of the periphery by the centre, with the booty that was seized basically spread amongst comprador elites in the developing countries, ranging from Russia during the 1990s to Brazil.

The virus of neo-liberalism is mutating and is becoming even more dangerous. Financial capital still controls the rules of the game.

Despite the rapid development of such countries as China and India, it is impossible to think of a 'Beijing Consensus', namely because the world view of this Chinese civi-

lisation and state could hardly be exported as a model. Even for the Chinese themselves, this is not really a model per se. Rather, it is the realization of their completeness or substance as an entity, as the Middle Kingdom.

A radically new form of managing the global crisis seemingly implies a larger role for the so-called G20, and within the G20 itself a more active role to be played by the BRIC countries. This could effectively counteract the combined power of Washington, Wall Street and the military-industrial complex.

However, the problem is that the BRIC countries cannot speak for the rest of the developing and 'under-developed' world. In any case, the world will never become 'flat'.

A highly probable scenario is the deepening of confrontations between the rapidly emerging and assertive Asian and Latin American regions, on the one hand, and a politically-dead and economically-ailing Europe, on the other hand, and yet another third party added into this equation – an American superpower that is striving to maintain its pre-eminence.

In the final end, the outlook remains rather bleak. ■