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HOW CHINA WILL CHANGE THE WAY WE THINK: THE CASE OF THE STATE

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The relationship between the state and society in China is very different from that in the West. And the consequences are profound. In the West, at least in the postwar period, we have come to see the legitimacy of the state as overwhelmingly a function of and dependent upon democracy. The Chinese model confounds this logic. In Western terms, there is an absence of democracy in China and yet the state enjoys great legitimacy, greater legitimacy, I would argue, than in any Western society. If state-legitimacy were mainly or simply a function of democracy, then Italy, a country that has multitudinous elections, would enjoy great state-legitimacy. In fact the opposite is the case: the Italian state is debilitated by a chronic lack of legitimacy.

The reason is that Italians view the state with great suspicion. They do not see it as properly representative of them, with many Italians in effect perceiving the state either as illegitimate or, more commonly, only partially legitimate. That is why tax avoidance is regarded by many Italians as perfectly reasonable, and why they can elect Silvio Berlusconi as prime minister, a man who has openly and explicitly used the state for his own private ends, namely to protect himself from prosecution for the illicit ways in which he built up his media empire. The reason why the Italian state suffers from a chronic lack of legitimacy is that the *Risorgimento* — Italian unification, which took place 150 years ago this year — was only a partially successful historical project. It has never succeeded in commanding the primary allegiance of Italians in a way that subordinated their other competing regional and local sources of identity. Italy, as a nation, remains fragmented and weak, composed of a collection of competing allegiances with the state unable to achieve the overarching authority and consequent legitimacy that it enjoys, for example, in Britain, France, and Germany.

From the Italian experience, it is clear that democracy does not necessarily ensure state-legitimacy. Furthermore, contrary to present-day Western common sense, democracy is by no means the only source of state-legitimacy. This brings us back to the question of China. There are two fundamental sources of state-legitimacy in China, neither of which relate to Western-style democracy. The first is the primary reason for the state's legitimacy. China is only secondarily a nation-state, even though for the last century it may have called itself such: rather, in the first instance, China is a civilization-state. The main overarching source of identity in Western countries is the nation-state: in China this is not case. It is Chinese civilization.

Modern China dates back not to its adoption of nation-state norms around the end of the 19th century but to 221BC and the victory of the Qin dynasty. All the key characteristics that define the Chinese sense of identity — Confucian values, distinctive role of the state, nature of the family, ancestral worship et al — date back over the last two millennia when China was exclusively a civilization-state rather than to the last century when it was partially a nation-state. China as a civilization-state is defined by this remarkable longevity, the sheer diversity that is a function of its demographic and physical size, and the fact that, most unusually, civilization and state more or less coincide. The consequences are manifold: crucially, the most important political value is unity. This is unsurprising since the problem of maintaining the unity of such a huge and diverse country subject to enormous centrifugal forces has always been the most important and difficult task of Chinese governance, be it in the imperial, republican, or communist eras. Some of the worst periods of Chinese history have coincided with the division and instability of the country.

In the eyes of the Chinese, the paramount role of the state is to maintain the unity of country —

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that is, the unity of Chinese civilization or, to put it another way, the unity of the civilization-state. This is the sacred and primary task of the Chinese state. If it fails, then the mandate of Heaven will be withdrawn. The overwhelming importance of this responsibility places the state on a pedestal above and beyond all other institutions. For the Chinese, it gives the state a near spiritual significance.

The second factor concerning state-legitimacy might best be described as one that enhances and accentuates the legitimacy lent by the state's relationship with and responsibility towards Chinese civilization. For over a millennium, the state has had no serious rivals to its authority. This is quite different from the Western experience, where the state has been obliged to fight to establish its authority against many adversaries and contenders: the church, the aristocracy, merchants, business, and so forth. The story of this struggle is recounted in the laws passed over the centuries to define the powers of the state and the limits to those powers. In contrast, there are no obvious limits to the powers of the Chinese state: if the state has no rivals, then there is no need to define the boundaries of its power.

From this, it is clear that the legitimacy of the Chinese state could hardly be more deeply-rooted. It is at least 2,000 years old, in some respects older. And its role, as far as the Chinese are concerned, could not conceivably be more important. This is why the Chinese see the state quite differently from how Westerners do — whether in Europe or the United States. For Westerners, the role of the state is finite, defined, and necessarily constrained. The American and various European traditions — notably that of France and Germany — may be distinct from each other, but they certainly share these characteristics. As a result, Westerners tend to see the state — in varying degrees, it must be said — as an outsider, an intruder even, as, in some measure, separate from society. The Chinese attitude is entirely different. They view the state as an organic part of society, as an intimate indeed: the Chinese see the state like a member of the family, as the head of the family in fact. Bear in mind here that the family, with the state, are the two most important institutions in Chinese society. The Chinese attach far greater significance to the family than is true in the Western tradition. Rather than being seen as an outsider, the state enjoys pride of place in Chinese society. It is not a linguistic accident that another name for the state in Chinese is family-nation.

This is the essential background to understanding how the Chinese see the state and its role in Chinese society, both historically and today. It is important to stress here the continuities in the Chinese state tradition.[1] Of course, it has changed greatly and is constantly being reinvented, but these verities have continued to define the essence of the Chinese state.

It is not surprising in view of this that the Chinese state has historically evolved in a highly distinctive fashion quite different from the European, let alone the American, tradition. For one thing, the Chinese state is much older, dating back to the 3rd century BC, the earliest known government in human history. And before that, Confucius, writing 2,500 years ago, can be regarded as the first great philosopher of governance. The Chinese state acquired a modernized form — embracing a centralized administration and a trained and sophisticated bureaucracy based on the imperial examination system — capable of governing a vast country long before this was the case in Europe. It also developed a range of powers over the economy, population, and the military — for example, the household registration system, huge infrastructure projects like the Grand Canal and the Great Wall,

[1] For example, David Shambaugh (ed), The Modern Chinese State (Cambridge: Routledge, 2000), pp. 2, 182.

and the capacity to move grain around the country in order to balance supply and demand — much earlier than in Europe. By the Song dynasty, around a millennium ago, all these functions were established, with some already several hundred years old. In other words, not only was the Chinese state far more developed than the European state, but the trajectory of the Chinese state was very different, with the acquisition of a growing range of functions taking place much earlier, in a different sequence and according to a different pattern of causation.[2] Given this very different history, it would be extremely short-sighted if we tried to understand the contemporary Chinese state and its likely path of development through a Western prism. Indeed, there is no Chinese institution that is more distinctive — if you like, "nativist" — than the Chinese state. Its present role and structure and its future evolution must be understood first and foremost in its own terms and not according to a Western model of development.

Present-Day Chinese State

This brings us to the Chinese state today. It remains very distinctive. Take its economic role. The nearest parallel is the East Asian developmental state such as Japan, South Korea, and Taiwan. This never conformed to the Washington Consensus model, which promoted the role of the market, privatization, and a minimalist state. The East Asian model, in contrast, embraced a highly activist state, a strong industrial policy, and an export-led strategy. The Chinese model has drawn heavily from this experience yet remains very distinctive. The most notable example of this is state ownership. In both Japan and South Korea, state ownership has been very limited: in China it is extensive. In the late 1990s, the Chinese government embarked on a major reform of the state-owned enterprises (SOE), with the widespread expectation in the West that privatization — in line with the approach pursued in many countries, including Russia — would lead to a huge diminution in the size and role of the SOEs. In fact, the outcome was quite different. As a result of the "grasping the big, letting go of the small" strategy, the number of SOEs has been greatly reduced, while the larger ones have been restructured, subsidized, and often merged to create much larger SOEs. In 2008, 30 percent of total assets in the industrial and service sectors were held by SOEs, but they accounted for only 3.1 percent of the total number of enterprises. In other words, SOEs control a very substantial part of total enterprise assets even though in terms of numbers they are marginal. Since 1999, the share of SOEs has declined from 37 percent to less than 5 percent in terms of numbers, and from 68 percent to 44 percent in terms of assets.[3] Rather than root-and-branch privatization, the government has sought to make the numerous SOEs that remain as efficient and competitive as possible. As a result, the top 150 SOEs, far from being lame ducks, have become enormously profitable, the aggregate total of their profits reaching $150 billion in 2007. This has been an integral part of a broader government strategy designed to create a cluster of internationally competitive Chinese companies, most of which are state-owned. It is difficult to think of another example of this ilk in the world today.[4]

Unlike the approach most countries, notably in the West, have pursued with regard to state-owned firms — which has seen them enjoying various

It would be extremely short-sighted if we tried to understand the contemporary Chinese state and its likely path of development through a Western prism.

[2] R. Bin Wong, China Transformed: Historical Change and the Limits of European Experience (Ithaca and London: Cornell University Press, 2000), pp. 90-1, 96-7, 99. Also, Martin Jacques, When China Rules the World: the Rise of the Middle Kingdom and the End of the Western World (London: Allen Lane, 2009).

[3] Gao Xu, "State-owned enterprises in China: How big are they?", EastAsiaPacific/ Blog, World Bank, posted 19 January 2010.

[4] Geoff Dyer and Richard McGregor, "China's Champions: Why State Ownership is No Longer Proving a Dead Hand," Financial Times, 16 March 2008.

degrees of protection, and often quasi-monopoly status — the Chinese government has instead exposed them to the fiercest market competition, with other state firms, private firms, and foreign companies. They are also, unlike in many Western countries, allowed to raise large amounts of private capital. Of the 12 biggest initial public offerings on the Shanghai Stock Exchange in 2007, all were by state enterprises, and together they accounted for 85 percent of the total capital raised. Some of the largest, furthermore, have foreign stakeholders, amongst others. Private investors, for example, own up to a quarter of Chinese banks. China's SOEs can best be described as hybrids in that they combine the characteristics of both private and state enterprises. The leading SOEs get myriad help and assistance from their state benefactors, but also have sufficient independence to be managed more like private companies, as well as being able to raise capital in the same way as the latter. This hybrid approach also works in reverse; some of the largest privately owned companies like Lenovo and Huawei have been crucially helped by — and depend in no small measure on — their close ties with the government, a relationship that to some extent mirrors that in Japan and South Korea. Unlike in Japan and Korea, however, where privately owned firms overwhelmingly predominate and always have, most of China's best-performing companies are to be found in the state sector.

It is important to emphasize that the Chinese state itself is a highly dynamic institution, which is subject to a constant process of reform and restructuring.

The emergent Chinese model, thus, embraces a hyperactive and omnipresent state, with a powerful body of SOEs and a web of connections with the major firms in the private sector, as well as being the architect of China's economic transformation and now the internationalization of the renminbi. It is important to emphasize that the Chinese state itself is a highly dynamic institution, which is subject to a constant process of reform and restructuring. The prevalent Western view is that the state is characterized by ossification, atrophy, and anachronism: this has certainly not been the case in China. There is also a widespread assumption in the West that while economic reform in China has proceeded apace, there has been little political reform. This is profoundly mistaken. There have been extensive and far-reaching reforms of the state, notably in 1982, 1988, 1993, and 1998, and this has been a continuing process, far greater than what we have seen in the West during this period.[5] Based on a process of experimentation and trial and error, the state is subject to continuous restructuring, with institutions repurposed and incentivized.[6] In this context, we should remember that the Chinese state does not consist simply of the central state, but also the provincial governments, nine of which are responsible for populations larger or as large as those of France and the U.K., not to mention cities like Beijing, Shanghai, and Chongqing with populations in practice greater than 20 million. Provincial governments have their own economic and industrial policies and their own provincial-owned enterprises, like Chery, the largest Chinese car firm. Indeed, a major reason why the Chinese economy has been so dynamic has been the competition between the various provinces and their firms, some state-owned and others private.[7]

The Chinese model is most unusual in another respect. It combines two characteristics that are not normally regarded as bedfellows. Firstly, there is a ubiquitous (and pluralistic) state, which is highly active and involved in multifarious ways in the economy (and society). Secondly, there is a powerful commitment to the market and a very strong belief in competition: indeed, it is

[5] David Shambaugh (ed), The Modern Chinese State, pp. 167, 174-81.

[6] Barry Naughton, "China's Distinctive System: can it be a model for others?", Journal of Contemporary China (2010), 19(65), June, pp. 452-57.

[7] Ibid, pp. 445, 447-8.

not an exaggeration to suggest that the Chinese government is inimical to monopoly situations, and where these exist it seeks to restructure the market to ensure competition.[8] We should not be surprised by the first characteristic, as we have seen it is entirely consistent with Chinese history. Nor, however, should we be surprised by the commitment to the market and competition. This, too, is buried deep in the tradition of Chinese history and the Chinese psyche. It was Adam Smith writing in the late 18th century who described the Chinese market as far larger and more developed than anything in Europe at the time. What is so peculiar — unique even — about the Chinese model is the combination of, to put it in stark terms, a hyper-state and a hyper-market. China's novelty in this respect can be summed up in the following paradox: China is "already more market-driven and less active in shaping specific industrial outcomes than Japan was during the heyday of industrial policy, even though state ownership looms so much larger in China today."[9]

There has been considerable discussion in the last few years about the notion of a so-called "Beijing Consensus," an idea, it should be noted, that the Chinese have not themselves ever used or shown much interest in. The proposition is that the Chinese example offers particular and relevant experiences and lessons to the problems of development in other developing countries. Undoubtedly there is significant truth in this. After all, China is by far the world's most successful developing country. In that respect, its credentials are far superior to those of the United States, which, as a highly developed country, is faced with fundamentally different kinds of problems and challenges. Albeit, this has not constrained the United States from offering its own prescription in the form of the Washington Consensus, which, alas, now lies in tatters, disregarded and ignored. But what exactly can other developing countries learn from China, given its unique history and circumstances. The most obvious candidates seem to be a pro-active, competent, and strategic state, the virtue of competition, a constant process of learning and experimentation, openness to ideas from outside, and relatively open markets. There are two fundamental characteristics of China's development, though, that no other developing country can copy: first, the Chinese state and second, the sheer physical and demographic size of China (except India, that is).

On the face of it, it is much less clear what the West — as highly developed societies and economies — can learn from China. They are, after all, on a fundamentally different rung of the development ladder. And yet, such is the speed of China's transformation, it will become increasingly incumbent upon us to seek to understand and learn from the Chinese experience. Moreover, if the story of the Chinese state offers anything — and it certainly does — then it is a profound mistake to think that we can only learn from countries that are in the same development phase as ourselves. Of course, the Chinese state will change and mutate profoundly, as we will see again in the near future, with the Chinese economy moving from being a follower to an innovative economy. But, in the light of the last two millennia, we should not expect the Chinese state to suddenly — or indeed ever — become like the classical Western state. Whatever the new institutional forms and roles it might acquire, the underlying continuities will remain as evident and persistent as in the past, its fundamental characteristics reproduced in new guises, its DNA unchanged.

So what does the Chinese state offer the West? In essence, China embodies a new paradigm with which we are more or less entirely unfamiliar —

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[8] Ibid, pp. 444-5.

[9] Ibid, p. 459.

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because it comes from such different historical and civilizational roots. That paradigm involves the juxtaposition of a hyper-state and a hyper-market. The China paradigm does not lie anywhere on the left/right spectrum of Western attitudes towards the state. It cannot be copied or transplanted because it is such a distinctive product of Chinese history and culture. But in time, as China is transformed and emerges as both a modern society and a major global power, the Chinese state will come to exercise a profound influence on the way we think and behave in the West. It will oblige us to re-evaluate the way we conceive of the state and its role. Apart from a unique combination of the state and the market, there will be other dimensions to this influence. As the oldest state in the world, and for almost two millennia arguably the most competent, China is the home of statecraft. As we have seen over the last 30 years, the Chinese state is, indeed, enormously competent, notwithstanding the fact that China is still a developing country; in fact, the Chinese state, I would suggest, is more proficient than any Western state. Part of this competence is the capacity to think strategically. The combination of the hobbled and debilitated Western state and China's success will lead to a growing debate about what we might learn from the Chinese state.

To conclude the discussion of the Chinese state, let me summarize its key characteristics as follows:

- Very high degree of legitimacy
- Deeply rooted
- Oldest state in the world; long-established tradition of state-craft
- Extremely competent
- Great strategic capacity; thinks long-term
- Underlying continuity
- Unique combination of state and market

Chinese Soft Power

Finally, let us consider the Chinese state in the broader context of Chinese soft power. There is a general consensus that Chinese soft power, as far as the developed world is concerned, remains extremely limited. The developing world is a different matter: here China has come to exercise significant influence as a result of its economic achievements and also its aid and assistance. There is a widespread assumption that China will find it very difficult to develop a soft power appeal in the West. While it will certainly not be easy, I think this seriously underestimates what is likely to happen and why.

The underlying reason China has little soft power in the developed world is because it is still a developing country. The economic wealth of a country is the single most important determinant of its wider appeal. This has become especially true in a globalized world. There is an overwhelming desire on the part of people in developing countries to escape poverty and improve their living standard. There is, as a consequence, what might be described as an unwritten hierarchy in which people aspire to be like those in societies that are richer than their own and look down upon those societies that are poorer. A fundamental reason why the Taiwanese do not wish to become part of China at present is not so much the lack of democracy in China but, even more potently, the fact that the latter is much poorer than Taiwan. Furthermore, wealthy countries possess the means to project themselves to others: Hollywood, great sporting events, Google, and the like are functions of a rich and developed society. It was only in 2008 that China succeeded in staging — and had the wherewithal to so do — the Olympic Games.

In this context, Joseph Nye's approach to soft power has a serious conceptual flaw. In *Soft Power: The Means to Success in World Politics*, for example,

he essentially sees hard power and soft power in discrete and separate terms. In a table, he classifies economic power as hard power;[10] he states that "soft power does not depend on hard power,"[11] he suggests that "the soft power of a country rests primarily on three resources: its culture…, its political values…, and its foreign policies..."[12] But economic power — that is, the economic wealth of a country — is a fundamental pre-condition for most soft power. This is true for two reasons: first, people aspire to be like those in wealthy societies and not poor ones; and secondly, most soft power is based on and made possible by economic wealth. Nye says, "Much of American soft power has been produced by Hollywood, Harvard, Microsoft, and Michael Jordan."[13] Each of these, in varying ways, is based on or assumes great national wealth. It would be inconceivable for Brazil, or Angola, or China indeed, to possess such a constellation. Only the United States, as the richest and most advanced economy in the world, is capable of that. I would draw the following general conclusion: hard power and soft power cannot be treated as separate compartments on the basis of a classificatory system. They may be different forms of power, but they are intimately inter-linked as expressions of the power of a country and its ruling system. Furthermore, as we have just discussed, economic power is a fundamental precondition of soft power and shapes its nature and possible forms. The difficulty with the concept of hard and soft power is that it treats power as fragmented and disconnected rather than recognizing its organic and ultimately unified nature. In this context, Antonio Gramsci's concept of hegemony, I think, offers a superior conceptual framework for dealing with the various forms of power.

Let us return to the question of Chinese soft power, or, to put it another way, the nature of China's future hegemonic appeal. From the above argument, it is clear that as China's economic power grows and its standard of living rises, then so will its capacity to project itself in multifarious ways — not least cultural. We had a taste of this with the Beijing Olympics. China is rapidly expanding its global media services, with, for example, CCTV's numerous international channels. Likewise, there are now hundreds of Confucius Institutes all over the world. A poor country cannot afford to do this, but increasingly China can and will. And as it climbs the development ladder, China will look more and more outwards, as becomes of an expanding global power. We should expect China's material capacity for exercising forms of cultural hegemony to grow very rapidly. There will also be its appeal as an increasingly powerful and rich country. In its heyday, America's most attractive feature as far as others were concerned was that in so many areas, because of its sheer wealth, it set the benchmark of modernity. People could look to the United States as a way of understanding and anticipating what the future might be. The examples over the last 60 years have been countless: the rise of the car, shopping malls, skyscrapers, air travel, suburbia, the PC, the internet, search engines, fast food, Ivy League universities, Hollywood, and so forth. This goes with the territory of being wealthy; no other country could vaguely compare, which is not to say that the United States enjoyed a monopoly of such influence, but rather the overwhelmingly dominant position. As we move into a multi-polar economic world, as the United States declines, and as China rises, the United States is and will progressively lose that capacity. Meanwhile, China will progressively acquire it. That is not speculative; it is a certainty.

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[10] Joseph S. Nye, Jr, Soft Power: The Means to Success in World Politics (New York: Public Affairs, 2004), p. 8.

[11] Ibid, p. 9.

[12] Ibid, p. 11.

[13] Ibid, p. 17.

The world now increasingly looks to China when it comes to imagining its infrastructural future.

Take infrastructure. This, of course, is an ancient Chinese tradition, taking us back to the Great Wall and the Grand Canal, as mentioned earlier. Huge infrastructure investments have been a fundamental part of China's economic transformation. The result is an infrastructure and an infrastructural prowess that is becoming the envy of the world: great airports, an excellent network of expressways, the Beijing-Lhasa railway, the Pudong-Shanghai maglev rail link, the Three Gorges Dam, the Bird's Nest stadium, and already by far the world's largest high speed rail network, which will transform China economically and socially and, ultimately, its links and relationship with Southeast Asia too. The United States already pales in comparison: an ageing infrastructure in a country that has lost what it once had in abundance, namely vision and an envious commitment to the future. The world now increasingly looks to China when it comes to imagining its infrastructural future. This is surely one part of soft power — and it is happening already.

Or take the future of cities and their transportation systems. By 2025, it has been estimated that eight Chinese cities will have a population in excess of eight million people. The Chinese problem is a huge population and little space: very different from the United States and Europe. It will require new urban solutions to the problem of mobility. So expect China to be in the forefront of such innovation, acting as a benchmark for the most populous nations in the world and exercising a powerful influence on us all. The Chinese are already working, for example, on a "bus-train," which will run on rails along one direction of an expressway, acting like a tunnel or bridge for cars that will pass under it, carrying up to 1,400 people and traveling at speeds of up to 37 mph. Welcome to the future — Chinese-style. The general point here is that Chinese modernity — which we can already see taking shape — will both enable and act as the most powerful single source of future Chinese soft power.

Or take fundamental cultural issues like parenting and education. As I argued earlier in the context of the state, they cannot be transplanted or copied into quite different cultural and historical contexts. The countries with the greatest possibility of doing this are those that share in some degree China's Confucian tradition, namely Japan, Korea, Taiwan, and Vietnam. Nonetheless, the most important contemporary expressions of China's civilizational tradition will come to exercise a hegemonic influence over the rest of the world, just as an alien and unfamiliar Western tradition has done over the last few centuries, especially the last two. The Chinese state is certainly one example. But there are three others I would like to mention. You may have followed the debate over the relative merits of Chinese parenting traditions compared with Western ones in the wake of the publication of Amy Chua's new book.[14] Of course, this is not new: it has been present in Western discourse for a while.[15] But the debate, I am sure, will intensify. The Chinese tradition of parenting is very different in numerous ways and its influence will grow in tandem with that of China. What could be a more fundamental expression of soft power than different modes of the family and parenting?

Parenting is closely related to the question of education. For some years now, East Asian children have fared rather better than their Western counterparts in global surveys of educational achievement; the most recent example being the survey published last December that showed Shanghai pupils' levels of achievement well clear of all others and far outdistancing those in the

[14] Amy Chua, Battle Hymn of the Tiger Mother (London: Bloomsbury, 2011).

[15] Howard Gardner, To Open Minds (New York: Basic Books, 1989).

United States. There has been a standard form of denigrating these findings, namely that East Asian children learn by memory and rote while Western children are educated to solve problems and be creative. There may some truth in this, but it has surely been exaggerated. Indeed, the Shanghai children proved superior in these respects too. The key point, though, is that these cultures place much greater emphasis on education and the importance of study than Western societies. And the roots of this commitment lie in a very different civilizational tradition. These societies also, incidentally, place greater stress on inclusivity — that all children should succeed — than is the case in the Western tradition. This is abundantly clear in the United States and the United Kingdom, where the proportion of children who leave school with very low levels of educational attainment is shockingly high.

My final example is crime. The levels of crime in Western societies tend to be rather higher than those in East Asian societies. In Confucian-based societies, the emphasis on responsibility, parental authority, respect, discipline, and order is much stronger than in the West. One of the least attractive features of the United States is the high level of crime, in particular, homicide. There are various reasons for this: the peculiar availability of guns (part of the United States' historical tradition) is one and the legacy of slavery and racism another. I can't think of a city in East Asia where someone would ask "is it safe?" Certainly not in Confucian-based societies. On the contrary, by American standards, they are exceptionally safe.

These examples — the state, infrastructure, parenting, education, and crime — are hardly trivial or marginal to people's lives and concerns. Indeed, they are far more important than the examples that are normally invoked to illustrate America's soft power, which are usually drawn from some aspect of pop culture. In their importance, they stand alongside questions of governance and accountability; they are, in other words, fundamental. I would conclude that much of the discussion concerning China's soft power has been superficial. Without any doubt, in time China will come to exercise huge soft power, not least in areas that are basic to the future of our own societies in the West.

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