

VIEWPOINT:¹

Confucian Reconstruction of Global Economics and Finance²

by Reg Little³

1. Outline

America's financial problems have led to the inevitability of profound changes in the global community. It is necessary now to focus on the prospect of some alternative order, where China, with its unique historical administrative record, its financial strength, its overwhelming productive capacity, its educational culture, its disarmingly subtle diplomacy, and its critical role as the sole nation that is a member of the newly reconceptualized AMF (Asian Monetary Fund), the SCO (Shanghai Cooperation Organization) and BRIC grouping (fast-growing developing countries including Brazil, Russia, India and China), will play the critical role. The contemporary influence of China is poorly understood as it is rarely viewed in an historical context that has at least three dimensions, all mutually contradictory, and complementary.

Confucianism is the cultural quality that is most fundamental to the East Asian region, although Daoism is also a basic and pervasive influence. These have inspired the spirit, established unity, built institutions and managed people by placing emphasis on practical, human behaviour. The West relied on the Church of Rome, its doctrines and dogmas to provide a common religious, institutional, and thought culture that was the major source of unity in Europe. It might be said this culture survived the European Enlightenment in diverse forms ranging from liberalism to authoritarianism.

Confucian order identifies a person by their role in their family and community in a manner that is uncommon in the contemporary West with its focus on the individual. The quality of responsibility and excellence associated with education, administration and technology in Confucian societies contrasts with a steady erosion in Anglo-American 'universal' values, institutional authority, financial viability and productive competitiveness. Contrasts in historical and contemporary achievement are likely to make Confucian norms a benchmark for the 21st Century global economy.

American corporate misadventures, which are undermining existing global order, are likely to favour a Confucian sense of order, posited on the educational and moral excellence of an administrative class that exercises pervasive social authority. In a fluid and unpredictable environment communities that are, geographically or

¹ The views in *The Culture Mandala* are those of the authors and do not necessarily reflect the views, position or policies of the *Centre for East-West Cultural and Economic Studies*. Bearing in mind the controversial debates now occurring in International Relations and East-West studies, the editors endeavour to publish diverse, critical and dissenting views so long as these meet academic criteria.

² This viewpoint is a shortened version of a paper presented at the International Confucian Association Conference, 22-27 September 2009.

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culturally, far from a global heartland of Confucian productivity, technological leadership, financial influence and academic standards, will only be able to determine responsible forms of behaviour with difficulty.

Confucian governance, distinguished by its practicality and flexibility in accommodating reality, may be able preserve the present global system in working order a little longer. The process of accommodating what have been the world's dominant powers in the West will remain problematic, as these have long educated themselves to assert 'universal' values and 'truths' and shun alternative cultural realities. There may be little option but to prop up existing structures for the present while initiating activities to enhance the character of global dialogue. To this end, there is a growing need for many more Confucian Think Tanks and Research Institutes, much more extensive distribution of Chinese historical film, TV and DVD, stepped up Chinese information flows and more innovative use of learning technologies for introducing China's Confucian, Daoist and strategic classics.

2. Global Realities

On 10 July 2009 mainstream financial media Bloomberg warned of changes in the global order with 'This \$17 Trillion Divorce Won't Be a Pretty One', remarking:

Think of China and the U.S. in history's most expensive divorce. The two economies total \$17 trillion of output, and polls in China show little support for adding to almost \$800 billion of U.S. Treasuries.⁴

On 24 July the alternative health commentator, Mike Adams, who writes now from Ecuador, reported under the heading "The New Mr. America: Bankrupt, Diseased and Running Out of Options" that "the new "Mr. America" is over-fed, under-nourished, over-medicated, over-spent and "over there" (waging war in the Middle East)" and that 87 percent of the federal budget of \$3.1 trillion for 2009 is consumed by war (\$743 billion), disease (\$702 billion) and debt (\$1,272 billion).⁵

The financial events of September 2008 in the United States of America had long been foreshadowed by the off-shoring of American manufacturing and technology, the mounting burden of American trade deficits, the high risk character of American financial innovation, the strategically inept extravagance of American military ambition, the growing dependence of the American economy on unhealthy industries like synthetic pharmaceuticals, processed food, chemical agriculture and genetically modified seeds, and the declining competitiveness of American education.⁶

Nevertheless, those September events abruptly catapulted the global economy into sudden uncertainty and apprehension. They precipitated a profound re-evaluation of the post-1945 global institutional architecture and foreshadowed an end to two centuries of Anglo-American global dominance, which promoted the convictions of the European Enlightenment as 'universal values'. Above all, they undermined a sense of global order to which most of the world had accommodated itself.

⁴ "This \$17 Trillion Divorce Won't Be a Pretty One", *Bloomberg*, 10 July 2009.

⁵ "The New Mr. America: Bankrupt, Diseased and Running Out of Options", *NaturalNews*, 24 July 2009; Dmitry Orlov "The USSR was better prepared for collapse than the US", *Energy Bulletin*, 4 December 2006.

⁶ <http://www.naturalnews.com/> contains a variety of articles that illustrate these problems.

The sudden growth in awareness of the potential influence of a 13 member Asian Monetary Fund (AMF, to be financially operational from March 2010), the 6 (plus 4 observers) members of the Shanghai Cooperation Organization (SCO) and the four-member Brazil, Russia, India and China (BRIC) has highlighted the fact that American failures are now forcing nations to explore alternative global structures. Yet, there is little evidence that authorities in America and Europe, which once shaped global order, are able to identify meaningful responses, even as we are witnessing an abrupt re-evaluation of many global assumptions that until recently were accepted as certainties beyond any form of questioning or challenge.⁷

While an understanding of America's problems is critical background to grasping the inevitability of the profound changes confronting all people in the global community, it is necessary now to focus on the prospect of some alternative order. It is critical to examine the role that will inevitably be played by China, due to its unique historical administrative record, its financial strength, its overwhelming productive capacity, its unrivalled educational standards, its disarmingly subtle diplomacy, and its critical role as the sole nation that is a member of the AMF, SCO and BRIC.

3. The Re-emergence of Chinese East Asia

The contemporary influence and power of China can only be understood in an historical context. It is helpful to identify three, all apparently mutually contradictory, dimensions of this history. All are critical to understanding the likely character of Chinese influence in reshaping and reinventing a global order that has been created by an unprecedented form of Anglo-American imperial genius over recent centuries.

First, there is a continuous recorded history with an ethos of civilization that is effectively unbroken for more than three millennia. Its basic characteristics are apparent at least five hundred years before the birth of cultural icons like Confucius and Laozi and are continually redefined around central themes over the two and a half millennia following their lives. The success of the Communist Party in 1949, using a Western ideological banner, marked the beginning of a new period in that historical process, apparently marked initially by a contest between Eastern and Western values, at least until it began to become clear that economic success throughout East Asia has deep roots in traditional civilization. Today, Chinese development seems to be increasingly identified with the rediscovery and regeneration of ancient traditional wisdom, regardless of where it first manifested itself in Chinese history.⁸

Second, it is important to recognize that Chinese civilization has survived, prospered and flourished over the past seven centuries despite the fact that Han Chinese have ruled China for only a little more than three centuries of that period, under the Ming Dynasty and today's Communist Government. Clearly, Chinese civilization is deeply grounded in the soul and spirit of the Chinese people, whether humble farmer or elite administrator. It is difficult to deny that it has a type of eternal character, finely attuned to human weakness, strength and potential. One might mention briefly here its focus on community responsibility, human virtue, educational excellence, disciplined intuition, imaginative consciousness and cultivated reflection. These

⁷ Michael Hudson "De-Dollarization: Dismantling America's Financial-Military Empire: The Yekaterinburg Turning Point", *Global Research*, 13 June 2009.

⁸ Little, Reg, *A Confucian-Daoist Millennium*, Connor Court Publishing, Ballan, Australia, 2006

qualities were developed early in China's written history and come to the fore whatever the contemporary challenge, in periods of both subjugation and conquest.⁹

Third, it is also critically important to recognize that China's civilizational wisdom has been shared generously across East and South East Asia, wherever there has been significant interaction or substantial Chinese minority settlement. This has been of much importance over the past half century with Japan demonstrating after defeat and occupation by the United States in 1945 how to use the ancient, strategic wisdom of Jiang Taigong (an 11th century B.C.E. strategist who helped establish the Zhou dynasty) to conquer through service, a practice subsequently emulated by almost all its East Asian neighbours. This shared civilizational wisdom has also been of much importance recently in nurturing a common cause among China, Japan, Korea and the ten ASEAN nations in forming the AMF, a likely centre of financial calm, stability and prosperity in seemingly unavoidable evolving global financial chaos.¹⁰

In other words, more than three millennia of recorded Chinese history and civilization is a powerful common resource informing contemporary developments throughout East and South East Asia at a time when the region is emerging as the most stable and productive in a fragmented and confused global community. China is unlikely to be able to avoid playing a central role in shaping global order as the institutional legacy of Anglo-American power confronts increasing challenges.

4. Confucianism is a Practice not a Philosophy

Confucianism is the traditional cultural quality that is most fundamental to the East Asian region, although Daoism is also a basic and pervasive influence in shaping behaviour and thought. It is increasingly tempting for commentators from both West and East to compare these traditions with the West's religions and philosophies.

This may be a profound error which obstructs understanding across cultural boundaries. While the European Enlightenment transformed the West's institutional, spiritual and thought culture, in many ways this took place within paradigms long established by the Church of Rome. The use of faith to promise some type of utopian future was refocused from the next world to this world. Humanity was encouraged to usurp the place previously reserved for God and to use science to remake nature to achieve its utopian dreams. Science took God's place as an entity of infinite power and promise, beyond questioning. The Jesuitical definition of religious, philosophical and scientific truth has remained fundamental to Western thought and behaviour.¹¹

In contrast, Chinese civilization has established unity, built institutions and managed people by placing emphasis on practical behaviour, whether in setting forms of ritualised authority, in giving administrative power to an educated elite or in demanding harmony in social behaviour. Moreover, philosophical Daoism has created a very earthy sense of reality, which nurtured critical thinking. It also offered a strong warning against being deceived by the apparent authority of words, concepts, religious dogmas, rational structures or scientific theories devised by human minds —

⁹ Ibid.

¹⁰ David Goldman "An Asian Commodity-Based Currency?", *Inner Workings, Asia Times*, 3 June 2009.

¹¹ Peter Gray, *Heresies: Against Progress and Other Illusions*, Granta Books, London, 2004.

the very essence of the authority in the modern West.¹² In contrast, leaders within the Confucian tradition have shown great practical resourcefulness and fluidity in their actions. Deng Xiaoping captured this spirit by remarking that the essence of a cat is in the ability to catch rats, not in the colour of its hair.¹³

The American sinologist Roger Ames has highlighted the absence in the Chinese tradition of qualities truly comparable to the Western notions of self, truth and transcendence. Going beyond Ames, one might suggest that the ‘universal’ values of electoral democracy, rule of law, human rights, open markets and individual freedom are little more than the product of a creative political imagination that enjoyed its height of credibility in the Western transition from religious to secular dogma. They contrast with the East Asia Confucian and Daoist traditions that have used diverse practical strategies to elevate communities from post-colonial backwardness to the forefront of global technological, economic and financial achievement but that defy understanding in terms of the theoretical sophistries of European civilization.¹⁴

5. The Family and the Community, not the Individual

The Western notion of an individual ‘self’ is less evident in Confucian societies because these place emphasis on the importance of a person’s role and identity in their family and community. This leads to a pervasive sense of paternal and maternal responsibility. This has not only become unfashionable but has almost become politically incorrect in the egalitarian West.

The fragmentation and breakdown of organic social values has facilitated the abuses and excesses found in modern military technology, synthetic pharmaceuticals, fast food and chemical agriculture. The emphasis on the rights and freedoms of the individual enables Western corporations to offer handsome rewards to those who take risks and produce substantial profits on available capital, as they discard the failures. Market ideology has discredited other ways of social organization.

The Confucian administrator’s ability to operate with equal efficiency within both capitalist and socialist ideological structures has surprised Western thinkers. The success of diverse East Asian economies has revealed the false character of many Western theories, rationalities and values. It has also highlighted the importance of having administrative decisions made by educated, informed and competent people who are concerned with community welfare, and not manipulated by private groups, with hidden privileges, superior information and unlimited finance. The performance of Confucian financial systems in preserving and allocating capital for projects that advantage the whole community speaks for itself when compared with Western financial systems that increasingly dysfunction due to manipulation for private benefit.

The global financial crisis has brought these issues to wide attention, but the response of both the Bush and Obama administrations suggests little capacity to define policies

¹² Ibid.

¹³ “No matter if it is a white cat or a black cat; as long as it can catch mice, it is a good cat”, Deng Xiaoping in a 1962 speech to a meeting of the Secretariat, but actually a Sichuan proverb.

¹⁴ Roger Ames, *Thinking from the Han: Self, Truth and Transcendence in Chinese and Western Culture*, SUNY Press, Albany, USA, 1998.

and strategies that overcome the cacophony of corporate vested interests intent on preserving past privileges. The American system appears to have lost any sense of the responsibilities and virtues that are necessary to preserve family and community solidarity, especially in times of hardship. Whether in the defence, pharmaceutical, food, agriculture or manufacturing sector, individual corporations have betrayed the American people with their lobbying and fund raising. The situation is made more serious by the so-called free press, which, with politicians and lawyers, has descended to the level of a tout for the best resourced and connected corporate interests.¹⁵ Not only does the Confucian East Asian world emphasise human virtue based on a sense of family and community, but this is enshrined in strong and deep-rooted traditions of education, administration and technology.

6. Education, Administration and Technology

With the steady erosion of Anglo-American ‘universal’ values, institutional authority, financial viability and productive competitiveness, the qualities of responsibility and excellence associated with education, administration and technology in Confucian societies come to the fore. Here, historical and contemporary achievements set standards that are likely to become benchmarks for the 21st Century global economy.

It has, of course, been customary in the West, as part of the strategy of intellectual apartheid and the promotion of ‘universal’ values, to dismiss Confucian education as rote learning, Confucian administration as overly bureaucratic and Confucian technology as imitative. However, these qualities equip the Confucian world with unique strengths in managing the challenges ahead. East Asia’s recent transformation has been founded on a unique cultural genius in all those areas.

Education will be basic in ensuring that East Asian people adjust sensitively and astutely to a more and more complex world where they exercise much enhanced responsibility. A major Anglo-American failure has been racial and cultural arrogance that has left policy makers ignorant of critical developments. Contemporary educational challenges encompass many dimensions - language, culture, history, science, technology, engineering, organic nature and much else — and few communities have the disciplines and aspirations necessary to nurture the full range of proficiencies required in the contemporary world. In qualitative and quantitative terms, and in spiritual and practical terms, no nation can match China.

Administrative talent and knowledge, inspired by both Confucian classics and China’s long recorded history, will also prove critical. As existing global institutions prove less effective and break down, people accustomed to communicating, travelling, cooperating and trading across great distances will still require ways to order their activity. Some initial steps towards alternative arrangements have been taken, but the challenges ahead will be substantial. Chinese administrative talent is likely to express itself in ways that challenge many outside East and South-east Asia. Even as the Confucian emphasis on administrative excellence and leadership by virtue proves its value, many will struggle, failing to adjust in the face of challenges to past certainties.

¹⁵ Sarah Allan, *The Way of Water and Sprouts of Virtue*, State Univ of New York Press, 1997.

Finally, technological leadership will be fundamental to China's authority beyond its own borders. Contrary to Western prejudice, the evidence is substantial that China led the world in technological innovation for much of recorded history and that it has demonstrated a sensitivity to nature and the environment that has been missing from the aggressive science inspired by the European Enlightenment. The *Yijing*, the *Daodejing* and the *Zhuangzi* explain why the Chinese scientific and technological genius took forms that are still poorly understood in the West. When the Chinese scientific genius is married with the educational aspirations of the Chinese people and the large numbers being graduated at Chinese and foreign universities, it seems likely that Chinese innovation will not only redefine global marketplaces but also begin to redefine the character of acceptable science and technology, addressing many issues raised by the West's overly aggressive and insensitive experimental ambitions.¹⁶

7. The Power of Chinese Civilizational Wisdom

Democracy, the rule of law, individual freedom, laissez faire economies and other central rhetorical principles of the past two hundred years of Anglo-American order have seemed to win acceptance throughout much of East Asia. It is possible, however, to see this as token deference to American power and pressure, while Confucian administrations perform largely according to traditional values. This has produced a strategically superior achievement in advancing the region's economic interests, something still neither matched nor understood in other parts of the world.¹⁷

Within a post 1945 international institutional system designed to American and British specifications, the last six decades has witnessed their steady decline in economic influence, marked by declining production, increasing indebtedness and inept strategic understanding. The traditional Confucian emphasis on educational excellence providing the basis for selecting an administrative class imbued with a sense of human virtue has delivered an unrivalled quality of economic strategy throughout East Asia.

It is difficult to avoid the conclusion that the values that have characterized Anglo-American order have been shaped by aggressive corporate expansion, which, in the form of the British East India Company, created one of the foundations for the British Empire. The corporation, which mobilizes people and finance to take risks in unprecedented ways previously denied governments, has, however, run out of new territories to discover and exploit. It is possible to see the West's problems as produced by feral corporations becoming almost cannibalistic, finding ways to buy and sell legal and political authority in their own societies, mocking the mask of democratic forms.¹⁸

¹⁶ Geoffrey Lloyd & Nathan Sivin, *The Way and The Word: Science and Medicine in Early China and Greece*, New Haven, Yale University Press, 2003.

¹⁷ John Keay, *The Honourable Company: A History Of The English East India Company*, Harper Collins Publishers, 1991; Thom Hartmann, *Unequal Protection: The Rise of Corporate Dominance and the Theft of Human Rights*, Rodale, 2002 (Complementary but contrasting insights into the corporate ethos are offered by these writers).

¹⁸ Chalmers Johnson, *Chalmers, MITI and the Japanese Miracle: The Growth of Industrial Policy 1925–1975*, Stanford University Press, 1982; Eamonn Fingleton, *In the Jaws of the Dragon: America's Fate in the Coming Era of Chinese Hegemony*, Thomas Dunne Books, 2008 (Complementary but contrasting insights into the largely neglected area of East Asian administrative excellence are offered by these writers).

With strong administrations, East Asian communities have found ways both to benefit from corporate energy and ingenuity and to control and direct them through resorting to a modern interpretation of *wu wei* (non action) — translated in the 18th Century by the French Physiocrats as *laissez faire*. This involves what one Western critic has criticized as ‘selective enforcement of the law’. In reality, this is the traditional exercise of administrative responsibility to achieve virtue and harmony in society, a notion largely alien to the market ideals of post-Enlightenment Western communities.¹⁹

When one adds to the tradition of a Confucian administration a cerebral process shaped more by Daoist discipline, intuition and reflection rather than abstract rationality, a world appears which is totally unfamiliar to the modern Western consciousness. Daoist disciplines make it quite acceptable to conform with Western ‘universal’ values as a strategic imperative while remaining totally unconvinced about their claims to transcendent authority. Daoist values, with their emphasis on fluidity and chance, help prevent the development of rigid and inflexible practices.²⁰

The foregoing has highlighted some potent qualities of Confucian and Daoist traditions that few in the West are prepared to acknowledge. But, while East Asia has been prepared to work within a global system defined by the Anglo-American powers, American misadventures are compromising this option, posing the possible need for a new sense of order amongst the financial chaos and disarray left behind.

8. A Confucian Sense of Order

Any Confucian sense of order is posited on the educational and moral excellence of an administrative class that exercises pervasive authority. This is done through a form of service that has demonstrated a capacity to master and manage both hereditary Emperors and, more recently, elected politicians. Most significantly, in recent decades it has shown the ability to guide modern technological economies in a highly competitive manner. This has involved mastering information, evaluating it and producing strategies that allocate finance and resources to fuel dynamic growth.²¹

Aligned to the points highlighted above is the West’s long established addiction to a need for what two writers have called ‘clarity and deductive rigor’, in contrast to the endless Confucian search, nourished by the use of the *Yi Jing* or *Book of Changes*, for ‘correspondences, resonances and inter-relationships’. Western leaders are poorly

¹⁹ The confused debate concerning the Obama Administration’s 2009 efforts to introduce health care reform illustrates the manner in which vested corporate interests define, distort and determine American administrative action/. In this instance massive sums of money have been spent to ensure that the American system remains reactive, inefficient, ineffectual and highly profitable for ‘service’ providers, while pursuing more and more hi-tech fantasies.

²⁰ Hobson, John M, *The Eastern Origins of Western Civilization*, Cambridge, Cambridge University Press, 2004 explains the way ‘intellectual apartheid’ has been developed and utilized in marginalizing the influence of Eastern civilization and promoting the ‘superiority’ of Western civilization.

²¹ Needham, Joseph, *The Shorter Science and Civilization in China:1*, Cambridge, Cambridge University Press, 1978; Richard Temple, *The Genius of China: 3000 years of Science, Discovery and Invention* London, Prion, 1998.

equipped by their intellectual disciplines to comprehend the diversity of thought that will feed strategic evaluation in East Asia in shaping a new sense of global order.²²

Rigorous education, strong relationships, mutual understanding, good faith and shared interests, which cut across familiar lines of past authority in unpredictable ways, will tend to become decisive in shaping new, but initially fluid, forms of order. China seems likely to work closely with neighbours who share its culture and values, as already reflected in the establishment of the Asian Monetary Fund. Beyond this region, China has the depth of highly skilled human resources necessary to build ad hoc but intimate relationships in many parts of the world - Central Asia, Africa, Latin America - while leaving those uninterested in partnership to pursue other paths.

It seems likely that political rivalries and misunderstandings will frustrate any moves to reformulate the institutional initiatives created by the Anglo-American powers at the end of World War II. Global institutions may steadily disintegrate as it becomes clear how Western corporate power and influence has been used to infiltrate and corrupt organizations such as the World Health Organization, the World Trade Organisation, the World Bank and the International Monetary Fund. Even minor bodies like CODEX (a food code) are the object of popular criticism for selling out healthy food standards to corporate interests. This realization will pose daunting challenges for communities that fail to recognize the approaching shift in dominant global norms of organization and practice.²³

9. Some Awkward Realities

China's vast productive power, its rapidly expanding reserves of skilled, educated administrators and technicians, its financial surpluses, its pervasive Diaspora and its demonstrated strategic wisdom will position it in a manner beyond the reach of other communities. These will position themselves to advantage to the degree that they study, master and accommodate Chinese practices and create close working relations.

Perhaps justly, perhaps perversely, those who have had most invested in the 'universal' values of Anglo-American global order may find adjustment to emerging less-structured, more-fluid global relationships most difficult. The disposition to fall back on the certainties of the recent past will tend to betray their interests and obstruct them making the necessary effort to study and master emerging customs and practices. In contrast, those disadvantaged by Anglo-American 'universal' values may be those most motivated to act within the emerging environment and its opportunities.

The drive by powerful Western influences to form a common strategic cause under various forms of the NATO umbrella seems to be a response preferred by nations that have come to identify their interests with the post 1945 global order and its institutions. It is also a continuation of the Anglo-American tradition of seeking to

²² Tu, Wei-Ming, *Confucian Traditions in East Asian Modernity: Moral Education and Economic Culture in Japan and the Four Mini-Dragons*, Cambridge, Harvard University Press, 1996.

²³ Thorn Hartmann, *Unequal Protection: The Rise of Corporate Dominance and the Theft of Human Rights*, Rodale, 2002; David C. Korten, David C., *When Corporations Rule the World*, Berrett-Koehler Publishers, 2001, (www.developmentforum.net/corprule/corporat); Joel Bakan, *The Corporation: The Pathological Pursuit of Profit and Power*, Free Press, 2004; John Perkins *Confessions of an Economic Hit Man*, Plume, 2005.

extend corporate power to all parts of the world. As already indicated, however, this global order is in danger of disintegration not because of some external threat but because of internal weaknesses in the values and politics that first created it.

10. Difficult Projections

People in all communities, both Western and Eastern, are seeking forms of order and government that focus on producing practical solutions to the complex problems of the contemporary world. A growing body of commentary in the West suggests that this may be achieved through reversing some of the so-called 'progress' of recent centuries. Excessive reliance on the even handedness of the marketplace, uncritical belief in the benefits of scientific innovation and innocent acceptance of the integrity of privately owned corporations and information systems are all the object of growing criticism. Yet this is far from gaining mainstream authority.

Books like *In the Jaws of the Dragon* and *When China Rules the World*²⁴ reflect a growing intellectual preparedness to countenance the rise of China and the decline of the West. But, as yet there is little or no apparent capacity of Western leaders to begin to address the practical implications of such a development or the possible cultural explanations of it. This highlights the internal weaknesses of democratic Western governments in the face of an unrecognised civilizational challenge. In contemporary democracies, contending vested corporate interests direct little attention to strategic situations that challenge established and comfortable working assumptions.

The forgoing may seem to present a particularly unattractive projection of the immediate future for the global community. Many of its power brokers are captive to the post-1945 Anglo-American global order and to the intellectual tools that accompany it. Yet they face superior performance in many areas of human endeavour by the Confucian communities of East and South East Asia.

This has advanced to the point that it seems the Confucian communities must be accommodated in a much more central and fundamental role. Otherwise, a system designed to favour declining Anglo-American power centres will no longer be viable. The absence of any credible evidence that Anglo-American power brokers are prepared to consider seriously accommodation could make systemic breakdown seem inevitable. Above all, a period of uncertainty and perplexity, with an abundance of confused signals about the likely course of future events, appears unavoidable.

Such a period of uncertainty is one where defenders of the past order are likely to try to defend it, often by recourse to strategies that worked well in the past. This will include attempts to maintain the inferiority of all orders except those of the 'universal' values of the Anglo-American world and to discredit any notion that the Confucian and Daoist values of East Asia have unique qualities of value to all peoples. Indeed, the danger is that strategic and military capacities will be used to try to defend power structures that are in a state of terminal decline.

²⁴ Eanonn Fingleton, *In the Jaws of the Dragon: America's Fate in the Coming Era of Chinese Hegemony*, Thomas Dunne Books, 2008; Jacques Martin, Jacques, *When China Rules the World: The Rise of the Middle Kingdom and the End of the Western World*, London, Allen Lane, 2009.

Even the people of East Asia must be apprehensive about the threats posed by the uncertainties that arise in such a period of transition. It is apparent that the traditions and culture of the region equip it with competitive and constructive qualities needed in today's global community. But East Asia must navigate through the highly unpredictable and unstable existing global order.

11. A Confucian Use of Anglo-American Tools

The foregoing comments on the viability of the institutional and value structure that defined the early 21st Century global community hardly augur well for the immediate future. One of the qualities of Confucian power, however, is its practicality and flexibility, even to the point of maintaining the present system in working order, if needed. On the evidence of behaviour over the past half century, the Confucian communities of East Asia are better able to operate effectively and advantageously within an Anglo-American system than the powers that constructed it.

It is no longer clear, however, that the Anglo-American world has the will and the wit to operate within the present system. Corporate power-brokers lack the capacity to identify and address the character of their many problems and they no longer have the coherence and authority to restart and rebuild. NATO-type military actions that waste resources aggravate internal administrative, economic and social failings. The benefits that some ascribe to full spectrum global dominance, in terms of monopoly control of global resources, are unlikely to help address the corruption that reveals itself in the ruin of production capacity and financial reserves. The control exercised over the West's information flows by ideological dogma and corporate interest obstructs effective reform dialogue and activity. This makes it hard to see today's centre of Anglo-American power, Washington, being able to sort out rival corporate interests and craft a prioritised strategy to restore long-term stability.²⁵

The one centre of power that might have that ability in terms of considered strategic evaluation is Beijing, acting almost as a loyal administrator serving a failing master. Yet, Confucian East Asia confronts related problems. Decades dedicated to mastering Western markets have exposed the region to many of the West's failings, whether synthetic pharmaceuticals, processed foods or 'non-organic' agriculture. Unlike in the democratic West, however, administrations can move decisively on such issues.

Even more problematic is the challenge of accommodating what have been globally dominant powers in the West. It is likely to be hard to initiate meaningful dialogue among rising and existing powers. Dominant Western states have long educated themselves to assert 'universal' values and 'truths' and shun other cultural perspectives. This may leave little option but to prop up existing structures while initiating activities to change the nature of global dialogue. To this end, there is a growing need for many more Confucian Research Institutes and Think Tanks, much broader distribution of Chinese historical film, TV broadcasting and DVDs, stepped up Chinese information flows and more innovative use of web-based and other learning technologies for introducing China's Confucian, Daoist and strategic

²⁵ Again, the experience of the Obama Administration's in attempting reform initiatives in health and finance illustrates the power of vested corporate interests, which define, distort and determine American administrative possibilities.

classics. Will new areas of global consciousness, as already created in health areas by TCM (traditional Chinese medicine) and *taijiquan* (Tai Chi), arise in time to ease the reconstruction of global economics and finance?

The 2008 global financial crisis has both complicated and simplified the building of a harmonious world, as advocated by President Hu Jintao at the United Nations' 60th Anniversary Summit in 2005. The achievement of a multilateral global community, characterized by mutual benefit and inclusiveness and defined by rational and necessary reform will require a Confucian reconstruction of global economics and finance. This will be complicated by the need to manage the decline of Anglo-American order and simplified by the rapid rise of Confucian power.