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China, the New Center



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## Abstract

Thanks to the rapid economic development in the past four decades, China has become one of the global political and economic poles, an important player in a multipolar world order. China's development is more than quantitative growth, as in the era of 'reform and opening-up' the country has moved up the value chain, or using the categories of Wallerstein's world systems analysis, moved from the periphery to the semi-periphery, and is well on its way to become a part of the center or form a new center. According to some researchers, at present it should already be seen as a 'quasi-center' that differs from both the semi-peripheral and traditional center areas. While it still carries out significant activities, characteristic to the periphery, such as providing cheap labor with low added value for traditional technology-defining center countries, in certain segments it already plays a role more characteristic of centers, uses cutting-edge technology, sets standards, invests capital, and supplies industrial products in exchange for natural resources. The Belt and Road Initiative can also be seen as an attempt to regain a central position. This role is not new to China, as in its own region the country has played a central role in much of history, and it was only in the last one and a half century when the country was pushed first to the periphery, then to a state of complete isolation, when it did not take part in the international division of labor. China's rise will reshape center–semi-periphery–periphery relations in Eurasia and around the world, significantly transforming the current world system, offering an alternative and more room for maneuver to current centers.

**Keywords:** China, world-systems theory, center, periphery

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## 1. Introduction

According to the world-systems theory developed in its entirety by Immanuel Wallerstein, the modern world is composed of three zones: the center or core countries, the semi-periphery and the periphery, with an international division of labour emerging between them where added value flows toward the center (Wallerstein, 1974a, b, c, 2010; Lubieniecka, 2014; Cheng & Zhai 2021, p. 4). The theory was widely criticised and fails to explain many questions; its conceptual frameworks, however, are suitable for describing the changes in China's position. Without accepting the simplifications of some representatives of the world-systems theory and interpreting the center strictly as "oppressor" and the periphery as strictly "oppressed", in this study we attempt to demonstrate the following: According to both Wallerstein's typology and the everyday meaning of the concepts, at one time China was understood as the center. Later, China was relegated to the periphery, and in the past few decades has returned to the semi-periphery, now having a chance of sooner or later taking its place at the center once again. In fact, it already plays a central role in certain segments. The step forwards taken by China will have an enormous impact on the future of the world, including Eurasia, as indeed, a center may emerge with the largest population of the world, which will attempt to reorganise the supercontinent along the lines of its own logic. Even if we do not accept either the world-systems analysis or any existing theoretical frameworks, China's fall and then its rise unfolding before our eyes – and hence, it is becoming an independent pole – are irrefutable. This itself explains the need for a separate column on China and the Chinese people in a journal dedicated to Eurasia.

## 2. A Chance for Change

Without doubt, in the uniform capitalist global economy materialising from the "long" 16th century, the West – i.e. Western Europe and North America – became the economic center, supplemented in the past century or half by a handful of other countries like Japan or Australia. The rest of the world joined their economies as (semi-)peripheral countries playing a subordinate role, serving as sources of raw materials or countries of low value-adding manufacturing, or playing any other role that made and kept them dependent. Geographically, the most important center was the North Atlantic region. The emergence of the new centers mentioned above did not change the situation radically as, on the one hand, they had close ties with the West and, on the other hand, given their small size they had neither the ability, nor the intention, to change the global *status quo*.

Obviously, the world is far more complex than to be solely described by the center-periphery distinction, as, on the one hand, power relations and positions are constantly changing and, on the other hand, local centers also emerge that count as center in their own region but are globally considered periphery or semi-periphery. Indeed, even asymmetries are not one-dimensional: the same actor may play a central role in certain sectors and a service role in others. It is still true, overall, that the current world order is based on the supremacy and central position of the West, and emerging countries typically try to join them rather than become independent centers.

This world order has been in transition in recent decades and for the first time in centuries, there is a possibility for a new center to emerge. This potential new center is none other than China. The Far Eastern giant is endowed with the historical experience of – and need to become – a central player on the one hand, and the required size on the other. Thirdly, it has the indispensable natural and human resource, and fourthly – in a few years or decades – the economic performance and advancement that may propel it to the central role. This is not to claim that China will become such an exclusive global center as the current US-led West, but it seems clear that the country will become one pole of a multipolar world and one center among several cores, while in most areas it will cease to serve as the (semi-)periphery of other centers.

### 3. Historical Center

For the most part in history, China has always played a central role (Salát, 2014). The first Chinese states emerging from the Neolithic cultures located within the territory of today's China were undeniably more developed and richer than the surrounding, less organised “barbarians”, and when Imperial China was formed in 221 B.C. from these states, it became the largest empire in the entire East Asian region – with short interruptions – for the next two millennia. The empire of the Hahn Dynasty, the first long-lasting dynasty ruling between the 3rd century B.C. and the 3rd century A.D., was on par with its contemporary, the Roman Empire in terms of territory, population, and regional role, except that the Roman Empire ceased to exist over time, whereas, *mutatis mutandis*, the Chinese still exists.

Until the 19–20th century, the East Asian region was at a low level of economic integration; consequently, center-periphery relations had not yet evolved in an economic sense. However, China was clearly the center in terms of politics and culture. From time to time, China conquered its immediate neighbours militarily as well, while its more distant neighbours became Chinese “taxpayers”. The latter status did not imply that the emperors of the Japanese, Korean, Vietnamese, Inner Asian or Indochinese regions were effectively the Chinese emperor's vassals; however, if they wished to maintain relations with the Son of Heaven, i.e. the Chinese emperor, in order to trade with China they had to nominally recognise his supremacy, sending him symbolic gifts (“tax”) every so often. They also needed the approval of the Chinese emperor for certain political acts, such as the enthronement of a new king.

The Son of Heaven was supposed to rule “all under heaven”, no other emperors in the world were on equal footing with him; all other kings, emperors or chieftains were considered his subordinates. Since Chinese trade was a very profitable activity and the Chinese did not intrude into internal matters, most rulers of the region generally undertook this nominal dependence, at least in the eras when China was strong. Accordingly, China structured the states of East Asia into an international organisation with the Chinese emperor on top, whom everyone else was trying to appease, and as such, China's central role was undeniable. As the international division of labour was fairly

rudimentary in the pre-modern age, whether China qualified as a center country by the standards of the world-systems theory is debatable but it is irrelevant to our topic in any event.

Its central role also applied to the area of culture: China was at the core in this regard, as well: Korea, Japan and Vietnam adopted Chinese writing and the classical Chinese language (to subsequently develop their own writing systems), and also embraced Chinese Confucian values and the Chinese schools of Mahayana Buddhism; indeed, a wide variety of Chinese elements had become part of their own culture, from musical instruments to chopsticks.

It is indicative of China's own – often declared – perception of its central role that to this day that the Chinese call everything that is Chinese “middle” (*zhong*), while everything else is “external” (*wai*). Thus, in common vernacular, the name of the country is ‘*Zhongguo*’, which means “Middle Kingdom”, while its official name is ‘*Zhonghua*’, meaning “the Middle Flowery Kingdom”. In expressions such as “Chinese cuisine”, “Chinese medicine” etc., they also use “middle” as a qualifier. Everything else is “external” (*wai*), “overseas” (*yang*) or “Western” (*xi*) – in other words, peripheral relative to the Middle.

As a result of Western intrusion, in the 19th century this Chinese-oriented world view collapsed. For a long time, the Chinese failed to realise that the supremacy of Western military technology was the result of social and economic advancement, and considered the intruders barbarians, the ilk of the horse-riding, nomadic conquerors of previous eras. Over time, however, they had to recognise that an entire civilisation was behind the Western weapons, which started to make China its own periphery by forcefully opening-up its ports. The country became connected to the international division of labour as a market for Western industrial goods and the source of cheap commodities and labour, and by the end of the 19th century it was clear that China had been relegated to the periphery from an economic and cultural perspective. This was followed by China's loss of relevance in the political sense, also. At the beginning of the 20th century, Imperial China collapsed and the dependence of its successor, the Republic of China, on foreign states was only exacerbated.

Meanwhile, there was Japan as a counterexample. In the 19th century, it faced the same challenges posed by the center as China, but its response was very different: it embarked on modernisation at lightning speed and by the end of the century it had clearly grown to become the strongest state in Asia. Not only did it escape being colonised, but it launched its own expansionary colonisation: initially it acquired Korea and Taiwan, and then moved to obtain interests in Northeast China; in other words, it started to reshape its environment with an eye to becoming the center. China was relegated to the sidelines in this regard, as well: in part, its commodities and markets were there to serve the development of the Japanese economy.

## 4. China's Recovery

Japan's surrender in World War II and, subsequently, the formation of the People's Republic of China in 1949 put an end to China's vulnerable situation. The sovereignty and territorial unity of the country were restored (only Hong Kong and Macau remained colonised and Taiwan *de facto* separated from the mainland), and the new government launched a fast-paced modernisation programme. Ties to the West and its allies were severed and, due to its involvement in the Korean war, the allies imposed a trade embargo on China and refused to recognise it in diplomatic relations. In this regard, the center-periphery arrangement ceased to exist, and China became isolated. While Beijing received substantial help from the Soviet Union – capital, technology and skills – it never became an organic part of the Socialist Bloc either; it did not enter the Council for Mutual Economic Assistance (COMECON), took little part in the international division of labour and up until the 1980s, its foreign trade was limited to the minimum. The country strived for autarky – self-sufficiency – and in that spirit, it managed to avoid having to undertake a subordinate role in asymmetric relationships. At the same time, this also isolated the country from the development of the external world; not only did it fail to get closer to the global centers, it did the contrary: it withdrew from them. In contrast to the neighbouring “tiger cubs”, which initially entered the global economic mainstream via manufacturing exports, China did not benefit from its ties with the centers even as a peripheral country. Chinese development and modernisation were also inhibited by its internal political campaigns (Great Leap Forward, cultural revolution, etc.), and the increase in its economic performance was absorbed by the population growth: between the 1953 and the 1982 censuses, China's population rose to 1 billion from 583 million, while the increase in per capita GDP remained negligible (Salát, 2012, p. 76).

The policy of “reform and opening-up” (*gaige kaifang*) announced at the end of 1978 was aimed at accelerating Chinese economic growth, raising the standard of living, modernising the country, increasing its national power and, overall, regaining China's status as a great power. At that point, the Chinese economy was in a dismal state. Per capita annual GDP was around USD 155, on par with East African Burundi and even surpassed by countries like Bangladesh, Haiti, Rwanda or Uganda (Countryeconomy.com, 2021). Industry relied on the Soviet technology imported in the 1950s; development projects were scarce, and extremely inefficient people's communes operated in agriculture, as a result of which local famines still cropped up in the 1970s. Although the political isolation of the country has moderated somewhat since the early 1970s, this had no effect on the economy and the influx of foreign investments failed to materialise.

Since China had neither the capital nor the technology required for its own modernisation and it had no hope of getting them from its own resources, great emphasis was placed on the concept of “opening-up” in the new programme hallmarked by Deng Xiaoping's name. This meant that, breaking with autarky, China opened up its borders – initially cautiously but later increasingly – to foreign investors and traders, and consciously caught the simultaneously launched new wave of globalisation (Ökten, 2019, p. 111–116, Salát, 2011). It was able to integrate into the global economic

mainstream primarily by offering an almost inexhaustible amount of cheap and disciplined Chinese labour, and by providing access to the significant amount of natural resources at its disposal. From the end of the 1970s, the influx of foreign capital commenced, and China finally became a peripheral country in the classical sense (it had been counted among the peripheral countries even earlier but – because of its isolation – without participating in the global division of labour). In the first phase of the “reform and opening-up” era (approximately up until the turn of the millennium), China shared the following characteristics of peripheral states:

- the population relies almost entirely on agriculture;
- a lack of modern technology;
- insufficient infrastructure;
- low added-value, labour-intensive production is over-represented in industry;
- the country is a commodity exporter;
- it is subject to brain drain by countries at the center;
- low gross domestic product rates;
- low wages.

These features were particularly typical at the beginning of the process when more than 80% of the population lived in rural areas and worked in agriculture. China's only chance of development at the time was to redirect rural surplus labour to manufacturing activities primarily aimed at exports, which were competitive because of the low labour costs in the first place. According to the world-systems theory, it is a form of exploitation to benefit from vast amounts of cheap labour and natural resources – in the 1980s, China even exported oil. Nevertheless, from another perspective, this was a specifically positive development for China: it acquired capital, technology and skills, and obtained market insight and experience whilst also collecting tax revenues and creating new jobs to be filled by its significant amount of surplus labour. Consequently, its peripheral position in center-periphery relations should be understood – instead of a mechanical juxtaposition of “exploiter-exploited” – as China's ability at its existing level of development to create an opportunity for itself – by breaking with the policy of autarky – to at least become part of the world-system which, over time, brought about the opportunity to stepping forward. This was far from a novelty; China followed the example of the “Asian tiger cubs” and benefited from their already available experiences. It should be noted that, despite the unparalleled growth of the past four decades, the above characteristics of the periphery can still be observed, albeit in a more moderate form, in China: the development of the country was uneven; the rate of the population working in agriculture is still high; a substantial part of the economic activity creates low added value; manufacturing exports are significant; and based on per capita GDP China is still counted among the emerging countries.

It should also be noted that even though China defines itself as a socialist country, this is not reflected in its relationship with the global economy; it integrated into the market-based, global capitalist world order described by Wallerstein and his followers (Ökten, 2019, p. 114). Therefore, China does not challenge the system itself, for the time being.

## 5. On the Way to the Center

It is a general problem for the periphery that participation in the international division of labour typically preserves its peripheral position; center-periphery relations themselves reproduce (Kocsis, 2020, p. 144, 147). Breaking out is difficult for less developed countries: they spend the revenues from low-profitability commodities exports and labour-intensive, low added-value activities on importing the higher added-value products and services of center countries, which leaves them with no capital to advance. China, however, was able to sidestep this trap because due to several factors, it holds a unique position among peripheral countries.

Firstly, while peripheral states often have weak and unstable governments and states – which are ruthlessly exploited by the center – the People’s Republic of China was highly organised, strong and efficient even at the beginning of the “reform and opening-up” process. It tried to use the advantages arising from its peripheral position (tax revenues, new access to knowledge and technology, growing household income) to climb up the technology ladder and hence, to move forward in the periphery-semi-periphery-center hierarchy over time. Rather than importing industrial products, it spent a substantial part of its growing revenues on the development of infrastructure, education, research and development; consequently, it did not become stuck in its peripheral position.

Secondly, the Chinese population’s level of education and health was particularly good relative to typical peripheral states. Despite the disastrous political campaigns, a general education and public health system was successfully set up in Mao’s China, which made the population suitable to participate in modernisation and globalisation. As we have seen, at the beginning of the era of “reform and opening-up”, China was on par with some countries of Sub-Saharan Africa in terms of per capita GDP, but this figure conceals the fact that the population of China was far more educated and healthier.

Thirdly, China is distinguished from its peers in the periphery by its cultural background and system of traditions, which values hard work, risk taking, thriftiness, knowledge and learning. China is backed by millennia of developed civilisation; for the country, being in a central position comes naturally given that it had held such a position, apart from the past century and a half, since the beginning of written history. Consequently, converging to the center is a self-explanatory process for both the population and the leaders of the country – indeed, to them, this means the restoration of the world order. The peripheral role was only meant to be a temporary state in the first place.

Fourthly, the immense size of China (its territory and population) allows for the evolution of an extended internal market, which mitigates China’s exposure to foreign states and prevents the emergence of the monocultures – and hence, one-sided dependencies – typical of certain peripheral

states. Considering its size, the country did not focus its attention on the production of a single product group; the Chinese economy is particularly diversified. The vast internal market also implies extremely fierce competition for the participants of the Chinese economy, which sufficiently prepares them to take part in the global competition.

Thanks to all these factors, China’s peripheral role proved to be temporary: it succeeded in stepping closer to the center and has become a semi-peripheral country. This mobility between the center-semi-periphery-periphery categories is not unique; it has previously been the case for countries to exhibit upward (e.g. Japan) or downward (e.g. Portugal) mobility.

The boundaries are not clear, which of course makes it impossible to pinpoint when China did exactly move to the semi-periphery. Wallerstein (1974c, p. 5) himself addressed the issue (“How [...] can we tell a semi-peripheral country when we see one?”), but failed to give an answer that could be applicable to China 40 years later. Various methods are available to determine the status of a country. For instance, Arrighi and Drangel (1986) categorised the countries based on per capita gross national product (GNP), while Grell-Brisk (2017) considered per capita gross national income (GNI) as the latter better reflects, somewhat, the complex relations that characterise the complex international order; in addition, it also includes remittances, which play an important part in peripheral-semi-peripheral states.

According to Grell-Brisk’s GNI/person calculations, it was the case in 2000 that China moved to the ranks of semi-peripheral countries from the periphery, and has been continuously inching closer to the center ever since. In 2015, it stood in the middle of the GNI/person zone that characterises semi-peripheral states, at a fairly long distance from center areas. Having said that, the trend clearly shows that it is moving towards the core. This toppled one of the main tenets of world-systems analysis; namely, the representation of the periphery-semi-periphery-center distribution as a pyramid where most countries, and hence the largest population, belong to the periphery, fewer countries and smaller populations are on the semi-periphery and there are only a few center countries at the top of the hierarchy. However, with the rise of China and several other countries, more countries have belonged to the semi-periphery since the 2000s than to the periphery, which may jeopardise the stability of the system thus far as it calls into question the traditional intermediary and stabilising role of the semi-periphery.

Obviously, the categorisation based solely on GNI/person lends itself to dispute, as this figure depends on a series of factors that are not linked to the international division of labour, and it does not reveal anything about the source of the income. Therefore, saying that China moved upward in the 2000s specifically is a rather arbitrary claim, but it can hardly be debated that it has moved up in the last few decades. A wide variety of analyses place China firmly among the peripheral countries today, and some analysts even claim that it has already left that level behind.

Cheng and Zhai (2021) are an example for the latter; indeed, they propose the introduction of a new category within the world-systems theory – that of a “quasi-center” – which is located somewhere between the center and the semi-periphery and should be applied to China. Even if we do not fully

agree with their conclusions or consider the creation of a new concept unnecessary, there are key insights among the arguments in which they try to confirm China's position as a "quasi-center". Accordingly, China should be treated as a separate category for the following reasons:

- First, China's soaring economic growth in itself separates it from its peers and makes China the largest economy in the world (calculated at purchasing power parity); its share within the global economy is constantly increasing. In 2017, it accounted for more than 15% of the world's GDP (of the center countries, the corresponding figures of the USA, the EU and Japan were 24%, 21% and 6%, respectively), of which it in itself represents a different standard than anyone else on the periphery and semi-periphery, which contribute to the world's GDP – even taken together with center areas other than the three countries above – with a mere 33%. As a result of its large share in the global economy and rapid development, China makes the greatest contribution to the expansion of the global economy. For instance, China accounted for 28% of global growth in the period between 2013–2018 and, accordingly, it was clearly the driver of global economy. A classical semi-peripheral country would be unable to achieve this. The most important factor behind development is the increase in productivity: while China represented 20.19% of the world's population in 1960, it produced only 4.4% of the global GDP. By contrast, in 2017, China's population accounted for 18.4% of the world's population, but it produced 15.2% of the global GDP (which of course has only increased since then). These figures indicate that China has a larger weight in the global economy than all center countries of the world, except the USA.
- Second, China has become a significant foreign investor and aid-provider since the 2000s. In terms of capital invested abroad, it ranked 25th among the countries in 2002. By 2018, it came up to 3rd place, right behind the United States and the Netherlands. In 2018, it was the second largest investor in terms of annually invested capital. In the preceding years, it had accounted for more than 10% of global FDI. As a Chinese specificity, the country invests in both center areas and in the periphery; Chinese FDI targets the most diverse destinations, from African mines to German companies with cutting-edge technology. It is a characteristic of the semi-periphery that it behaves as a center in its relations with the periphery: it invests in the extraction of mineral resources, agricultural plantations and low added-value manufacturing – China has many such investments. However, the fact that it is trying to cement itself in the most developed sectors of center areas is not a typical semi-peripheral ambition.
- Third, China's foreign trade also exhibits numerous specificities, partly because of its size, and partly because of its composition. China is the most significant trading partner to most countries of the world; its exports increase almost continuously, and the percentage of high added-value products within its exports is also on the rise. It is a world leader in digital economy and in many areas of the related technologies such as e-commerce or mobile phone payments. Therefore, from the perspective of trading, most countries of the world depend more on China than on the center of the center, the United States, which also gives China a unique position.

- Fourth, China also takes the initiative in the area of global finance; it is the founder of the BRICS New Development Bank, the Asian Infrastructure Investment Bank and other organisations which grew to become potential competitors of the financial institutions controlled by the center (IMF, the World Bank). It also attempts to globalise its national currency.
- Fifth, China's global competitiveness is no longer attributed to its cheap labour alone. It has achieved numerous results in cutting-edge technology; it is among the world leaders in numerous areas such as quantum communications, the 5G network, artificial intelligence, biotechnology or high-speed trains. Traditional industrial sectors are also becoming increasingly developed; since 2010, the added value created by China's manufacturing has surpassed that of the United States. In 2018, China's manufacturing added value accounted for more than 28% of the world's total. China has also shown significant progress as a defender of intellectual property rights; it is now the second largest source of international patent filings.
- Sixth, the Belt and Road Initiative (BRI) launched by China implements a new form of international cooperation and relationship building. It entails overarching foreign direct investments, and contributes to the development of infrastructure in countries that heretofore had been neglected in this regard. Even this activity distinguishes China from its semi-peripheral peers.

Based on the above, Cheng and Zhai pointed out that China no longer fits into the traditional center-semi-periphery-periphery categories, and a separate category should be created for China as a "quasi-center". This solution would resolve the existing contradictions between the traditional tenets of world-systems analysis and China's existing position.

Numerous points in the above argumentation can be debated. The size of an economy or its weight in the global economy are not a good indication of the relevant economy's place in the world system and of the way in which it participates in the international division of labour. A larger state can even operate a large economy through the extraction of mineral resources or low added-value activities; however, this does not necessarily mean that it is getting close to the center as, indeed, the main specificity of the center is its monopoly over the most advanced technologies. The same can be said of its contribution to global economic progress: if a country rapidly advances from a low base to a medium level by importing medium-developed technologies – which is far less difficult to do than for an already developed country to produce further growth – it will have a large impact on the total global economic output but will hardly mean a departure from the semi-periphery; in fact, it may even cement the peripheral position of the country concerned. Similarly, foreign direct investments do not signal that a country is no longer semi-peripheral; indeed, investing in the periphery is a typical semi-peripheral behaviour. The acquisition of holdings in the companies of center countries does not, in turn, automatically entail the investor country's advancement, as it has only purchased technologies developed by others. Moreover, the correlation between extended external trade and approaching the center is not straightforward either. It is not the quantitative factors that are decisive

– large, commodity producing countries also engage in substantial external trade – but the qualitative ones, namely, the composition of exports and imports. In China’s case it is particularly important to point out that a significant share of its exports – even in the area of cutting-edge technologies – is handled by companies controlled or partly controlled by foreign owners, relying on their own innovation while pursuing cheap assembly activity in China. In statistics, their exports are presented as Chinese high-tech exports; in reality, however, their activity is consistent with the classical center-semi-periphery pattern. The establishment of alternative financial institutions is only indirectly linked to the international division of labour; setting up the institutions, in itself, does not reveal much about the quality of the way in which the loans are used. The financial institutions established with China’s participation can also be interpreted as a coalition of semi-peripheral countries, which does not result in a qualitative change.

In conclusion, the arguments above – which are not only cited by Cheng and Zhai but by almost anyone who tries to determine, albeit with diverging accents, China’s place in the world system – clearly demonstrate that China is an important pole/key player/informal center of the global economy, but they are insufficient to prove that it is at the center or quasi-center under the world-systems theory. Consequently, China may also be viewed as a special case of the semi-periphery.

It is of course debatable whether attempts should be made at all to fit today’s China into a decades-old theory – for example, by proposing a new concept as Cheng and Zhai did. First of all, the classical Wallersteinian theory is presented in the context of countries, but this is not suitable enough to account for the complex reality of China where the triad of center-semi-periphery-periphery can be observed within the same country. Whether geographically or at sector level, Shanghai’s way to integrate into the international division of labour will be very different from that of a village in Ningxia, and the same is true for a high-tech firm in Shenzhen versus an assembly plant on the outskirts of the same city. Of course, these internal differences are not only characteristic of China but they are particularly significant in China – so much so that they call into question the rationale of talking about “Chinese economy” in general, let alone its status. In his influential book, Zhang (2012, pp. 29–35), for example, refers to China as a complex set of developed and emerging economies engaged in close interactions with one another, the real status of which is concealed, rather than revealed, by national average data.

## 6. At the Vanguard of the World

Among the phenomena mentioned by Cheng and Zhai – and widely discussed elsewhere – there are two which suggest, even despite the above reservations, that the application of the semi-periphery category is insufficient to describe the status of China. Based on those phenomena, even though today’s China is not yet a center, it already has or will soon have the capacities and ambitions that may propel it to that position.

One of those factors is the stunningly dynamic development of its science and technology. This relatively new process is suitable enough to fundamentally transform international relations and truly elevate China in the center, be this in the informal sense or under the concepts of the world-systems analysis. The main advantage of the core against the periphery and the semi-periphery is its cutting-edge technology that ensures that it rules the market of prevailing “key products”, which are associated with the greatest profitability. Since technology flows continuously from the center towards the periphery, the center must come up with more and more breakthrough technologies and products to preserve its leadership and profits and to recreate its monopoly (Wallerstein, 2010, p. 59, Kocsis, 2020, p. 147–148). This requires both an advanced innovation ecosystem and an extended corporate and state research and development activity. China did not have these up until the 2000s, and this is why it lagged behind.

Chinese policymakers, however, were well aware that without its own innovation, the country would only be able to reach a certain – semi-peripheral – level and would be permanently stuck there. If it is to avoid that scenario, a substantial share of the funds available must be spent on encouraging research and development activities. Deng Xiaoping had already recognised the importance of this area and, accordingly, at the start of the “reform and opening-up” era, one element of the “four modernisations” (*sige xiandaihua*) announced at the end of the 1970s was the modernisation of science and technology. Since the programme was practically launched “from scratch”, the first couple of decades had no spectacular results. The relevant education and science projects were only sufficient to enable China to adopt the imported technology. From the 1990s, more ambitious targets were set: the newly announced “Project 985” (*jiubaowu gongcheng*) was designed to develop about a dozen (the number has since risen to 39) world-class Chinese universities. According to various international rankings, China has partly achieved this goal: the majority of Project 985 universities are ranked among the best 500 higher education institutions in the world, of which the C9 League (a formal group of 9 elite universities) is even more distinguished, and is generally ranked among the best 100 universities of the world, with even more progress expected. Operating global elite universities is the monopoly of the center in practical terms (with top institutions still concentrated in the USA and England), but in educating the science/technology elite of future generations China has already started to close the gap with the center areas.

In 2006, China announced its 15-year *National Medium and Long-Term Plan for the Development of Science and Technology*. Centered around the key term “indigenous innovation” (*zizhu chuangxin*), the programme identified the key areas to develop, as well as “frontier technologies” in which China also aims to become a world leader (advanced energy, biotechnology, laser technology, new materials, etc.). Under the plan, China was to raise its R&D spending from 1.34% of the GDP (2005) to 2.5% of the GDP by 2020 (Cao et al., 2006, Serger & Breidne, 2007). It did in fact come close to realising this target: in 2020, China spent USD 375.7 billion on research and development, corresponding to 2.4% of the GDP, which is enormous growth considering that the Chinese GDP also sextupled in the meantime. This data accounts for 54% of the corresponding US figure and it is 2.1 times that of Japan, consequently China’s R&D spending ranks second globally (Global Times, 2021). While

China still lags behind the center areas in percentage of the GDP, it is expected to catch-up soon if trends continue. Pursuant to certain forecasts, China is on track to exceed the United States and to become world leader by 2025 in terms of absolute spending on R&D (Chik, 2021).

Obviously, research & development expenditure does not define a country's science & technology level in itself, as the efficiency of spending that amount is an important factor; it is clear, however, that China achieved spectacular results. It is especially true to technologies that are expected to become decisive in future, serving as a basis for further development. These include, for example, artificial intelligence, gene technology, robotics, 5G networks, space technology, electric vehicles and green energy. In all of these areas China is either at the forefront or close behind the center. Its position is being reinforced by the increasing number of new state programmes, e.g. the Made in China 2025 programme which garnered significant global attention, as the Government of China undeniably openly targets world leadership in the most critical areas. Similarly, the new 5-year plan announced in 2021 also expects domestic innovation to play a central role (Grünberg & Brussee, 2021).

Its achievements thus far and its future plans (which, on past experience, are expected to be realised) make it clear that China aims to grab the central role in research & development, science and technology as well as innovation. If it succeeds, its position under the world-systems theory will also change as center areas indeed preserve its position at the top of the hierarchy by specifically possessing cutting-edge technologies.

Another factor that signals China's real progress towards the center is the Belt and Road Initiative, more specifically, China's increasing prominence in the general international arena, for which the BRI serves as a brand of sorts (Baranyi et al., 2020; Horváth & Salát, 2021). The initiative affects more than 60 countries worldwide, covering 65% of the global population and 40% of the global GDP, and its announcement can be attributed to numerous internal and external policy as well as economic reasons. Of these reasons, the West generally underpins geopolitical considerations but the weight of such considerations is likely to be overrated, and it is more probable that economic aspects play the primary role. The BRI can be interpreted from numerous aspects, including the frameworks of the world-systems theory. The programme manifests China's – past and present – intention to become a center, even if some researchers claim that it does so differently than developed countries (Lubieniecka, 2014).

A key term in the BRI is connectivity – building connections across the Eurasian continent and the adjacent Africa via both “hard” and “soft” infrastructures. There are few interrelationships between the BRI projects as their nature, content and size tend to be extremely different; for the most part, however, they are aimed at putting in place connections in such a way that they are advantageous to China. The resulting roads, railways, sea routes, cables, etc. are all running in a direction that facilitates the inflow and outflow of commodities and goods to and from China. While this does not imply that the projects are detrimental to the countries concerned, they are definitely beneficial to China and, taken together, they hint at a pattern in which China takes center stage geographically and also in other respects. The network of BRI projects has at least one hub, which is China.

In addition to the central geographical role, the BRI may create a new type of center-periphery arrangement in the international division of labour, i.e. the most critical aspect of the world-systems analysis. BRI projects are undertakings typically implemented with Chinese capital (loans) using Chinese technology; therefore, the investee countries import Chinese technology. Their standards are obviously defined by China, and a large portion of the added value is created in China through the development of technologies and innovation. In addition, due to China's ownership of intellectual property rights and the technology monopoly, in the case of more complex systems the investee country will rely on China over the long term because of the necessity for maintenance and further developments. Of course, when China builds a high-speed train or 5G network in a country, it will facilitate the development of the country concerned and raise the standard of living of its population; at the same time, however, a classical center-periphery relationship will materialise with China at its center (Gonzalez-Vicente, 2011, p. 77). Many BRI projects establish such a relationship even more directly as, indeed, relying on enormous commodity and energy imports, China will invest in oil and gas fields and agricultural areas, and will pay for the commodities thus extracted with manufactured products. Similarly, the creditor-debtor relationships created in relation to BRI projects translate into a traditional center-periphery distinction.

Thus the BRI entails the emergence of a type of center-(semi-)periphery arrangement, where China is the center and BRI countries are the (semi-)periphery (Singh, 2020). While the BRI may contribute significantly to the development of the latter – i.e. the investees will also enjoy the benefits of the initiative – their status within the world-system will not change. Most BRI countries have already been part of the periphery or semi-periphery and the emergence of the new core will not change this. It may, however, provide them with more room for international manoeuvre as, with the rise of China, the investees will have an opportunity to balance between several center areas or they may even have the centers compete with or play against each other.

## 7. Outlook

China has come a long way: in the past few hundred years, it had been relegated to the periphery and then even outside of the periphery, and it was only able to start climbing back towards the periphery from the 1980s. Today, China is considered to be on the semi-periphery at the very least, but it is fairly clear that it will not stop there: it wishes to become a core once again, now globally. While the size of its economy, the extended scope of its foreign trade and its overarching foreign investments will not ensure a central role for the country in and of itself, the qualitative changes in progress in the country have a good chance of altering its position pursuant to the world-systems theory. All short-term, mid-term and long-term plans of the country's leadership (5-year plan, 15-year vision, bicentennial goals, Made in China 2025, etc.) can be interpreted in the context of China's conscious efforts to achieve a central role as these documents certainly place great emphasis on innovation, advancement on the technology ladder or the avoidance of the middle-income trap; in other words, on the creation of a situation where China possesses the cutting-edge technologies and leading

products which ensure the influx of added value to China. Another important part of the plans, the Belt and Road Initiative, entails the reorganisation of the Eurasian supercontinent into a structure where China becomes the geographical hub of the resulting networks while achieving a classical central position through its technology exports.

Obviously, other players in the world-system will also respond to China's ambitions, and these responses may influence the implementation of Beijing's plans. The rise of China is not looked upon favourably by the traditional center, the West (including Japan), as its interests would be best served if China remained in its peripheral-semi-peripheral position. Hence the technology blockade imposed by the United States and its allies, the purpose of which is to prevent China, specifically, from gaining access to the most advanced technologies or from exporting such technologies if it already has them (e.g. 5G network). The large-scale US research and development plan announced by the Biden administration is also intended to retain the technological advantage of the USA and, thus, the global monopoly. In response, China has placed even more emphasis on domestic innovation, technological development and cooperation with the (semi-)periphery.

Countries on the periphery and semi-periphery, however, view this process from a different angle, unless their direct political and security interests are affected by the rise of China (which is the case in China's own region). The emergence of a new center alongside the old one could be a positive development for these states, since it means a break with traditional monopolies, i.e. a competitive situation that can be exploited by the intermediate countries if they make the right choices. Instead of the one-way dependency and constraints of the past, the (semi-)periphery thus has options and room for manoeuvre and, can benefit from the competition between centers. This explains why the BRI countries have welcomed the initiative and why the (semi-)periphery does not have the same antipathy towards China as the center.

The question is whether a world-system can emerge with more than one core. This would imply a qualitative change as, indeed, ever since the long 16th century – when the current world-system started to materialise – there has always been only one centre and, accordingly, the whole theory reckons with a single core. It still cannot be ruled out that China's advancement will only be an expansion of the traditional center rather than the evolution of an alternative center, in which case China's rise will not result in a structural change. It is certain, however, that we are witnessing the emergence of a new pole going beyond the frameworks of the world-systems analysis, and that the resulting multipolar world order and the ensuing competition and uncertainty will create a new situation for intermediate countries: a situation where more opportunities coexist with more threats, which we have not seen in the decades since the end of the first Cold War. This is why it is indispensable for us to monitor the ongoing processes in the world and on our supercontinent.

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