



## INTER PRESS SERVICE

News Agency

**News and Views from the Global South**

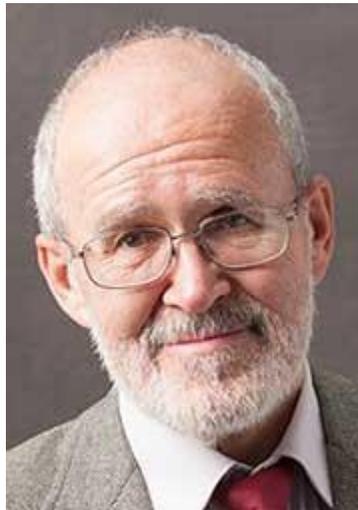
OPINION

# The Main Contradiction of the Modern Era

By [Vladimir Popov](#)  [Print](#) | [Send by email](#)

*Vladimir Popov – Principal Researcher, Central Economics and Mathematics Institute, Russian Academy of Sciences, Ph.D.*

**BERLIN, Sep 6 2021 (IPS)** - The main contradiction of the modern era, and indeed of all human history, is not between capitalism and socialism, and not even between authoritarianism and democracy, but between individualism and collectivism, between public and personal interests. Countries that are getting ahead in the economic race allow themselves the luxury of individualism, prioritizing human rights, which ultimately undermines their political and economic power and causes their decline and the rise of more collectivist civilizations. It is literally the story that is as old, as the world itself...



Vladimir Popov

### “Asian values”

“Asian values” is the priority of the interests of the community (village, enterprise, nation, world community) over the interests of the individual. As a matter of fact, what is today called “Asian values”, before the 16th century Protestantism, was a universal principle of all mankind — there was no primacy of the interests of the individual over the interests of society before that time.

Collectivist values are often juxtaposed to Western liberal values, which stress the primacy of human rights that cannot be alienated from the individual under any circumstances, even for the sake of achieving the highest public good. John Rawls, political philosopher and an authority on the issue, formulated the principle of precedence of democratic values and human rights: according to him, human rights, including political rights, “are not subject to political bargaining or to the calculus of social interests.” Defenders of “Asian values”, whose roots are often sought in Confucianism, believe that, in principle, the political rights of individuals can be sacrificed for the highest public good, for example, for the sake of achieving sustained high rates of growth and social equality.

Values, of course, is largely a vague and subjective concept. Economists like to operate with something more tangible – objective and measurable categories, but there are those as well. Social harmony is based on low income and wealth inequality, which are perfectly measurable: in China and East Asia today it is lower than in other countries, if only the comparisons are made properly

– adjusted for country size and level of development. And “oligarch-intensity” (the ratio of the wealth of billionaires to GDP), which measures inequality at the very top of the property pyramid, is lower in China than in most other countries.

The share of the state in the economy (government consumption as a percentage of GDP, to be precise) is higher than in states with similar characteristics, the number of violations of law and order and criminal penalties (the crime rate, murder rate and incarceration rate) is lower<sup>1</sup>. There are other measurable objective indicators – lifetime employment and unemployment rate, the ratio of bank credit to the stock market, concentration of control over corporations, etc. There are also differences in subjective preferences measured by the World Value Survey and other polls – the degree of trust in the government, the willingness to defend one’s country, the importance of family ties, and so on<sup>2</sup>.

But the most important thing, of course, is the mass understanding that the country and society as a whole are more important than any individual, even the most important. For example, the one child policy, practiced in China since the beginning of reforms in 1979 and until recently, is traditionally considered in the West as a violation of the “inalienable” reproductive rights of citizens, but in China it was supported by the overwhelming majority of the population and did not raise questions.

“Ask not what your country can do for you – ask what you can do for your country,” – this famous phrase of John F. Kennedy made a strong impression in the United States and in the West, but not in China. “As if it could be otherwise” – my Chinese friend plainly noticed.

### **Competition of civilizations**

There was a time, when it seemed that the West’s bet on personal freedom and human rights was paying off as the West overtook all other civilizations both economically and militarily. The universal feeling was that “the Rest” could only imitate the West in order to achieve the same success. However, the rise of East Asia in the post-war period, and especially the rise of its central state — China, makes one think that the “end of history” is postponed, and it is too early to end the debate on the competition of civilizations. China (and earlier — other East Asian countries based on Chinese culture — Japan, Korea, Taiwan, ASEAN countries) in the postwar period managed to raise growth rates to 7-10% and maintain these growth rates for several decades. As a result, East Asia in the second half of the 20th century became, in fact, the only large region that managed to narrow the gap in the levels of economic development with the West.

Neither Latin America, nor the Middle East, nor South Asia, nor Africa, nor the former USSR and Eastern Europe have succeeded in doing this. True, in the 1950s and 1970s, the USSR and Eastern Europe, as well as Latin America, narrowed the gap with the West. But then their model of import-substituting development ran into the dead end: Latin America after the debt crisis of the early 1980s experienced a “lost decade”, Eastern Europe in the 1990s had a transformational recession comparable only to the Great Depression of the 1930s. years.

As a matter of fact, only in East Asia there are countries that have been able to transform themselves from developing into developed – Japan, South Korea, Taiwan, Singapore, Hong Kong. There are no other states in the world that have managed to catch up with the West due to high growth rates (and not due to higher prices for resources). The last two cases can be attributed to small scales — these are cities, not countries, but there is no way to denounce the first three cases. Especially now, when China is following in the footsteps of these countries with a fifth of the world’s population.

The significance of this growth today is difficult to overestimate, and not only because China is the largest country in the world, but also because for the first time in modern history we are dealing with successful catch-up development based on illiberal, if not anti-liberal principles — on “Asian values”, collectivist in their essence institutions. After the collapse of the USSR, the Chinese, or rather, East Asian, development model is gaining more and more adherents in developing countries — from Brazil to Fiji. Geopolitics and military potential matter a great deal, of course, but in the end it will be the countries with the highest economic efficiency that will dominate. “In the last analysis, productivity of labor is the most important, the principal thing for the victory of the new social system” (Lenin).

Comparative economic and social dynamics during the COVID-19 pandemic in 2020-21 is another proof of the advantages of the collectivist model, if such proof is still needed. In China, Japan, South Korea, there was practically no increase in mortality compared to the previous period (2015-19), and life expectancy did not decrease. Of the Western countries, only Australia, Iceland, New Zealand and Norway showed such a result, while in the United States the mortality rate increased roughly by 25% on an annual basis, life expectancy decreased by one and a half years – from 78.8 in 2019 to 77.3 years in 2020. This year, 2021, life expectancy in the United States will probably decrease even more, while in China it will increase, so that China can overtake the United States in longevity.

And at the same time, China is leading in economic growth: GDP growth rates in 2020 only slowed down slightly (from 6% in 2019 to 2% in 2020; 8-9% is expected in 2021 to compensate for the previous slowdown), whereas in all other G-20 countries, except for Turkey, there was a drop in production, sometimes significant – from 5 to 10% in 2020<sup>3</sup>.

### **Forecast**

Russia stands between East and West for almost its entire history. The modern Russian socio-economic model is partly liberal, but partly collectivist, especially after overcoming the chaos of the 90s.

Losing in the competition with the Chinese economic and social model in many ways, the West will probably try to create a united front of states, regardless of whether these states are liberal and democratic or not, to contain the rise of China and the proliferation of the collectivist model. It can be assumed that all countries that the West considers today authoritarian, from Venezuela to North Korea, will receive an indulgence for the alleged violations of human rights and democracy if only they join the anti-Chinese coalition. The West will probably try to seduce Russia with the lifting of sanctions and even the possibility of joining the Western club of “civilized countries”.

If Russia and other countries that the West considers authoritarian agree to such a compromise, the rise of China and the spread of the East Asian model may be slowed down, but not stopped. But if Russia ties its fate to China and the new collectivist model, the decline of the West could happen faster than expected.

<sup>1</sup> Popov, Vladimir. [Why Europe looks so much like China: Big government and low income inequalities.](#) *MPRA Paper No. 106326*, March 2021.

<sup>2</sup> Keun Lee and Vladimir Popov (Eds.) [Re-thinking East Asian Model of Economic Development After the Covid-19.](#) – *Special Issue of Seoul Journal of Economics*, 2020, Vol. 33;

Popov, Vladimir. Which economic model is more competitive? The West and the South after the Covid-19 pandemic. – *Seoul Journal of Economics* 2020, Vol. 33, No. 4, pp. 505-538;

[Covid-19 pandemic and long-term development trajectories of East Asian and Western economic models.](#) – *Pathways to Peace and Security (Пути к миру и безопасности)*, 2020, №2 (59).

<sup>3</sup> Popov, Vladimir. Global health care system after coronavirus: Who has responsibility to protect. *MPRA Paper No. 100542*, May 2020;

Popov, Vladimir. [How to Deal with a Coronavirus Economic Recession?](#) *MPRA Paper No. 100485*, May 2020.