



# The Political Economy of Socialism with Chinese Characteristics

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## Principles of Publication

At a time when U.S. ambitions for a unipolar world order have lost their appeal, a new order is taking shape thanks to the multipolarization of world politics and the acceleration of cooperation between developing countries, rejecting the globalism of imperialist states. Under these conditions, the new agenda of global cooperation should respond to the needs and aspirations of developing countries seeking joint development and solidarity under the guidance of public-driven projects. In particular, the Belt and Road Initiative (BRI) -put forward in 2013 by Xi Jinping, President of the People's Republic of China- provides a suitable opportunity and a sound foundation for the implementation of this new agenda of global cooperation.

BRI is an epoch-making move to re-implement the concept of the Silk Road, which dates back 2,000 years, to a time when China was immensely contributing to global prosperity and the development of trade and cooperation. The revival of this concept entails a much more comprehensive approach that also incorporates rail and sea transport, and digital systems.

BRI proposes to bring together over 60 countries across Asia, Europe, Africa, and Latin America –together accounting for nearly half of the world's gross domestic product– for prosperity and development at the initiative of China. Unlike the Western-centered world order, BRI seeks peaceful collaboration for improving global trade and production towards common goals for humanity. It firmly rejects crude imperialist exploitation. Two thousand years ago, the Silk Road was a conduit for the flow of gunpowder, spices, silk, compasses and paper to the world. Today, it offers artificial intelligence, quantum computers, new energy and material technologies, and space-age visions to developing countries. In addition, the New Silk Road provides incentives and opportunities for the development and implementation of bio-economic schemes in stakeholder countries against the threat of climate change and other environmental threats that bring the entire ecosystem to the brink of extinction.

Türkiye has a significant role –real and potential– in accelerating South-South cooperation. Türkiye is conveniently located as Asia's farthest outpost to the West. It assumes a critical position as a pivotal country on BRI's North-South and East-West axes. However, China's development and BRI's contribution to the future of humanity have remained to a large extent underrecognized and superficially evaluated in Turkish academia, media, and politics. This is mainly because Türkiye's academics, media professionals, and policy makers have been observing China using Western sources. In the same manner, China and BRI's other potential partners have been viewing Türkiye through a Western lens.

BRIQ has committed itself to developing an in-depth understanding of the present era, with a particular emphasis on the new opportunities and obstacles on the road to the New Asian Century.

BRIQ assumes the task of providing direct exchange of views and information among Chinese and Turkish academics, intellectuals, and policy makers. In the meantime, this journal will serve as a platform to bring together the intellectual accumulation of the whole world, especially developing countries, on the basis of the Belt and Road Initiative, which presents a historic opportunity for the common future of humanity.

BRIQ is also devoted to publishing research and other intellectual contributions that underline the transformative power of public-driven economies, where popular interests are upheld as the basic principle, ahead of individual profit. The fundamental tasks of BRIQ are to demonstrate how BRI can contribute to the implementation of this public-driven model, and to help potential BRI partners -including Türkiye- to realize their real potential.

BRIQ stands for the unity of humanity and a fair world order. It will therefore be a publication for the world's distinguished intellectuals, especially those from Eurasia, Africa, and the Americas: the defenders of a new civilization rising from Asia on the basis of peace, fraternity, cooperation, prosperity, social benefit and common development.

## Submission Guidelines

BRIQ features a broad range of content, from academic articles to book reviews, review essays, interviews, news reports, and feature articles.

The Editorial Board can issue calls for papers for special issues and invite authors to contribute manuscripts; however, it also welcomes unsolicited submissions.

Submissions are invited in English or Turkish. All submissions are to include a short biography (150-word limit) and should be sent as Microsoft Word attachments to briq@briqjournal.com Articles or other content that have been previously published or are under review by other journals will not be considered for publication.

BRIQ follows American Psychology Association (APA style, 7th edition, <https://www.apastyle.org>) and uses American English spelling.

BRIQ applies a double-blind review process for all academic articles.

Academic articles should be between 5000 and 9000 words in length, including abstracts, notes, references, and all other content. Please supply a cover page that includes complete author information, and a fully anonymized manuscript that also contains an abstract (200-word limit) and five keywords.

Book reviews should not exceed 1,000 words; review essays covering two or more works can be up to 3,000 words.

News reports consisting of brief analyses of news developments should not exceed 1,500 words; feature articles combining reporting and analysis can be up to 3,500 words.

Please contact the Editorial Board for interview proposals.

# EDITORIAL

## A Significant Experience for the Future of Humanity The Political Economy of Socialism with Chinese Characteristics

The political economy underlying the People's Republic of China's development trajectory since its founding in 1949 remains one of the most widely analyzed issues in contemporary scholarship. The experience of socialist construction under the leadership of the Communist Party of China constitutes a distinctive case that warrants systematic and rigorous academic analysis.

In the twenty-first century, China has emerged as one of the world's leading economies and has played an increasingly significant role in shaping global economic and political dynamics. Its development model, described as "socialism with Chinese characteristics," has also rekindled discussion of alternatives to the dominant patterns of market-led development and neoliberal globalization. These developments underscore the importance of examining the structural features of China's system from a political economy perspective, avoiding both normative bias and reductionist interpretations.

Against this background, several key questions arise:

\* How should the stages of socialist construction be conceptualized in light of historical and comparative experiences? What criteria determine the sustainability of socialist political authority and the continuity of socialist-oriented development? Within this framework, how should China's current developmental stage be assessed?

\* How should China's "socialist market economy" be evaluated in relation to its institutional structure and outcomes? To what extent are market mechanisms compatible with socialist development, particularly when considered in light of both historical and contemporary experiences?

\* How should China's position within the global capitalist system—and its points of tension and interaction with that system—be theoretically conceptualized?

\* To what extent do China's economic and social transformations offer insights of broader relevance? What lessons, if any, can be drawn for other countries, including Türkiye, in terms of development strategies and institutional design?

Two Chinese contributions that explicitly address these issues are presented in this issue by BRIQ: an academic piece by Prof. Dr. He Ganqiang and a chapter translated from a Chinese-language book by Prof. Dr. Xinhua Jian, two well-known Marxist political economists. Both academics have a wealth of experience in political economy and have made significant contributions to discussions of China's socialist development.

It is anticipated that these contributions will enrich ongoing theoretical and empirical discussions in the field. BRIQ therefore invites political economists in Türkiye and internationally to engage with these issues and to contribute original, high-quality research within this broad analytical framework.

BRIQ extends an open invitation to political economists worldwide, particularly in Türkiye, to pursue research within the framework outlined above and to submit high-quality, original studies for publication.

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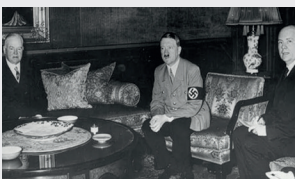
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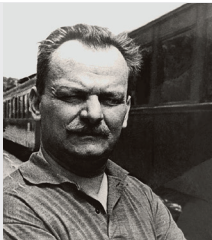
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Ten thousand households, one family,  
spring fills the city**

# What Saved us From the Historical Tragedy of Soviet “Reform”?

## Applying Marxist Economics to Guide Chinese Economic Modernization




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**HE GANQIANG\***

Prof. Dr.  
Nanjing University of Finance and Economics (NUFE)

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*\*He Ganqiang is a professor in the Faculty of Economics at Nanjing University of Finance and Economics. He is an advisor to the Chinese Political Economy Association, and his research focuses on capital and the contemporary Chinese economy. He has published two books in Chinese: Theoretical Logic of Capital (2001) and The Paradigm of Economic Analysis of Historical Materialism and Its Application (2009). After graduating from high school in the 1960s, He volunteered to join a state-owned farm for production and construction during the “Up to the Mountains and Down to the Countryside” movement. While working on the farm, he began reading Das Kapital. In 1979, with the farm management’s approval, he applied for a master’s degree in political economy at Fujian Normal University as a self-taught candidate. Admitted to the programme under the supervision of Professor Chen Zheng, an expert on Das Kapital, and Professor Luo Yanming, a political economy expert, He began his academic career. He is one of China’s older generation of political economists.*

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This article argues that Chinese-style modernization can only advance in a sustainable and socialist direction under the scientific guidance of Marxist political economy. It contends that Western neoliberal and Keynesian paradigms are structurally incompatible with the theoretical foundations of the socialist market economy and constituted a central cause of the historical failure of Soviet “reform.” Grounded in historical materialism, the study emphasizes the determining role of production relations and ownership structures in the process of social reproduction. It demonstrates that the weakening of public ownership as the leading economic force generates income polarization, structural imbalances, and macroeconomic instability. The article further conceptualizes the socialist market economy as a dialectical unity between public ownership–based production relations and market circulation mechanisms. Within this framework, Marx’s theories of reproduction, capital accumulation, and value are presented as the scientific basis for macroeconomic governance, property relations, and China’s strategy of economic opening in the process of modernization.

**Keywords:** Chinese modernization, common prosperity, market economy, Marxist economics, socialism with Chinese characteristics.

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### Introduction

“THE RESOLUTION OF COMMUNIST PARTY of China (CPC) Central Committee on Further Deepening Reform Comprehensively to Advance Chinese Modernization” (This resolution will be mentioned as “The Resolution” throughout the article), adopted by the Third Plenary Session of the 20th CPC Central Committee, clearly stated that “We will continue to improve and develop the system of socialism with Chinese characteristics and modernize China’s system and capacity for governance” (Xinhua, 2024), which is the overall objective of further and comprehensively deepening reforms; it was also clear that the re-

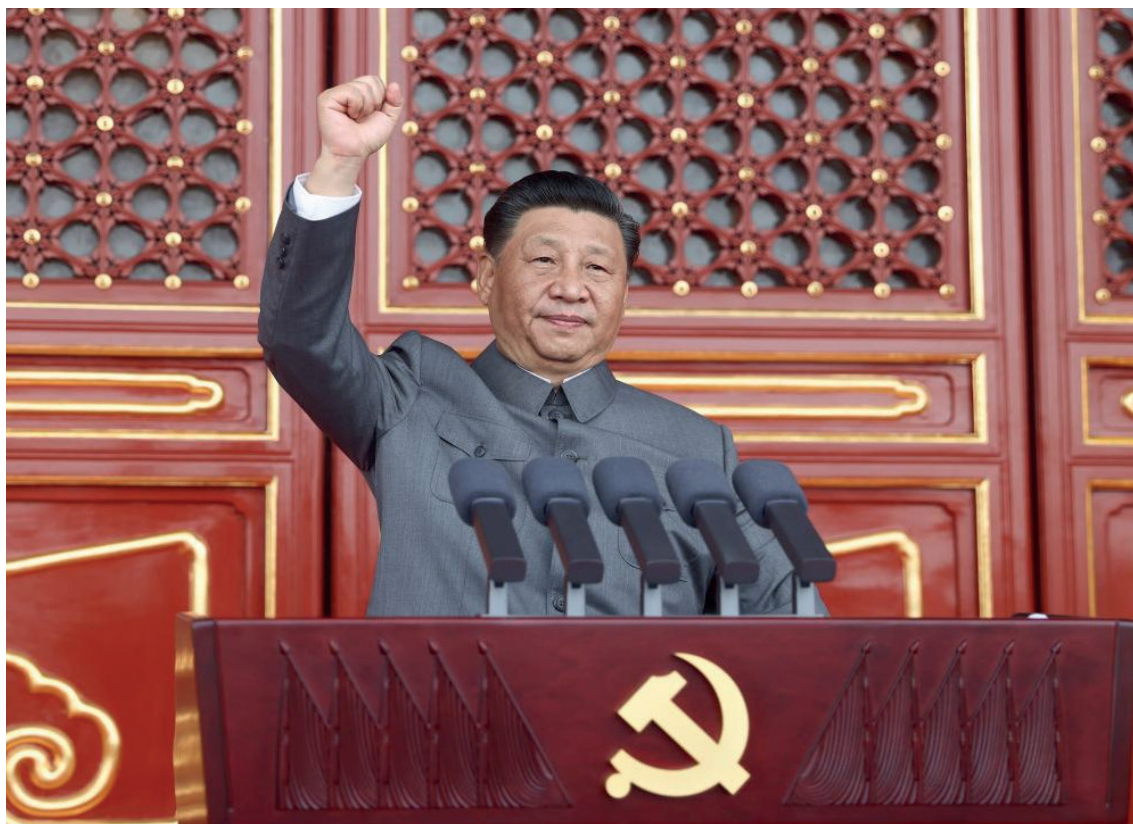
form task would be completed by the time of the 80th anniversary of the founding of the People’s Republic of China in 2029. This is a significant reform movement led by our Party, advancing the working class and the people of the whole country toward self-reliance and promoting common prosperity for all. This requires that we adhere to the ideological guidance of Marxism and break free from the constraints of all kinds of erroneous ideologies and notions. The 20<sup>th</sup> National Congress of the CPC stated, “Practice shows us that why the CPC is able and why socialism with Chinese characteristics is good is, in the final analysis, the work of Marxism, which is adapted to the Chinese context and the times.

To have the guidance of the scientific theory of Marxism is the basis of our party's firm belief and conviction and grasp the historical initiative" (Xi, 2022: 1). From the perspective of deepening the reform of the socialist economic system, which is the focus of deepening comprehensive reform, only by firmly adhering to the ideological guidance of Marxist economics, firmly breaking the boundaries with Western bourgeois economics, and always being clear-headed can we grasp the initiative of economic work and promote the steady march of the whole society toward Chinese modernization. This article aims to present a few understandings of this briefly.

### **Persistent Use of Marxist Economics to Guide the Construction of a Socialist Market Economy**

President Xi Jinping pointed out that the draft decision proposes to "focus on playing the traction role of economic system reform" and clarifies that "deepening economic system reform is the key to further deepening reform in all respects" (Xinhua, 2024). This reflects the requirements of a historical materialist perspective, since economic movements are the material basis for society's multifaceted movement as a whole. Therefore, to advance Chinese modernization, we must first realize Chinese economic modernization, focus on deepening economic reform, and "focus on building a high-level socialist market economy system." Since 1992, China has explicitly proposed the establishment of a socialist market economy, taking into account more than 30 years of practical experience and lessons learned, to raise the construction of this economic system to a high level, it is necessary to emphasize adherence to the guidance of Marxist economics. Because of

the understanding of the socialist market economy, there has always been a major difference between whether Marxist economics is guided by or Western bourgeois economics. One is to misinterpret the basic principles of Marxist economics regarding the dialectical relationship between production and circulation under the influence of international neoliberal economic thinking. To assume that market circulation under certain conditions can be decisive for social production, to exaggerate that it is unconditional, and to deny that production is usually decisive for circulation; The development of market circulation is opposed to public ownership, and "economic reform" is equated with the abolition of universal and collective ownership of the means of production. This has caused a serious decline in the public, industrial, and commercial sectors in China. "From 2012 to 2023, the share of private enterprises in the total number of enterprises in China rose from 79.4% to 92.3%, reaching more than 53 million, and the number of individual industrial and commercial households increased from 40 million to 124 million." "The private economy absorbs more than 80 percent of urban employment." (Zheng Bei, 2024). However, private enterprises are mainly capitalist in nature. Therefore, I believe that the ownership structure of the means of production in China's business sector has, in fact, occupied the main part of private ownership, which is contrary to the provisions of articles 6 and 7 of the Constitution. According to Marx, the distribution of the conditions of production (that is, the ownership of the means of production) "determines the whole nature of production and the whole movement" (Marx, 2004: 995). The basic principle is that once the public economy loses its dominant position, it will inevitably have serious consequences for economic relations, such



“To have the guidance of the scientific theory of Marxism is the basis of our party’s firm belief and conviction, and to grasp the historical initiative” (Photo: Xinhua, 2022).

as the distribution of resources. For more than 10 years, the Gini coefficient of China’s income distribution relationship has been around 0.47-56.5, exceeding the international warning line of 0.4, and remaining high (China Statistical Yearbook, 2017- 2023). The national fiscal balance has been overspent or in deficit every year, and the deficit has been increasing at an accelerating rate (China Statistical Yearbook, 2023). These adverse conditions confirm the serious, destructive impact of neoliberal economic thinking on the reform of the Chinese economy. The other is to adhere to the guidance of Marxist economics and clarify the scientific meaning of the socialist market economy, which is the organic integration

of socialist public ownership and market circulation relations. This requires that, in the practice of economic reform, one always attach importance to the leading role of the state-owned economy, which is of universal ownership, in the national economy, and to the promotional role of rural collective economic organizations in agricultural production. This has, to a large extent, prevented the equation of the development of the market economy with privatization, avoiding the historical tragedy of the Soviet Union, in which the party and the country, amid the clamour of “reform,” maintained the basic stability of the Chinese economy during the reform process and the sustained development of the economy.

In the 10 years from the 18<sup>th</sup> National Congress in 2012 to the 20<sup>th</sup> National Congress of the CPC in 2022, “GDP increased from 54 trillion Yuan to 114 trillion Yuan; China’s economic aggregate accounts for 18.5% of the world economy, an increase of 7.2 % points, steadily ranking second in the world. GDP per capita increased from 39,800 Yuan to 81,000 Yuan” (Xi, 2022: 1).

**From the perspective of necessary coordination and unity within the public economy, it requires the operating entities of public enterprises to have the flexibility to adapt to product production and market circulation. To this end, publicly owned enterprises should be given a certain degree of market-oriented, autonomous decision-making power to prevent the government’s top-down, subjective, and command-and-control centralized management.**

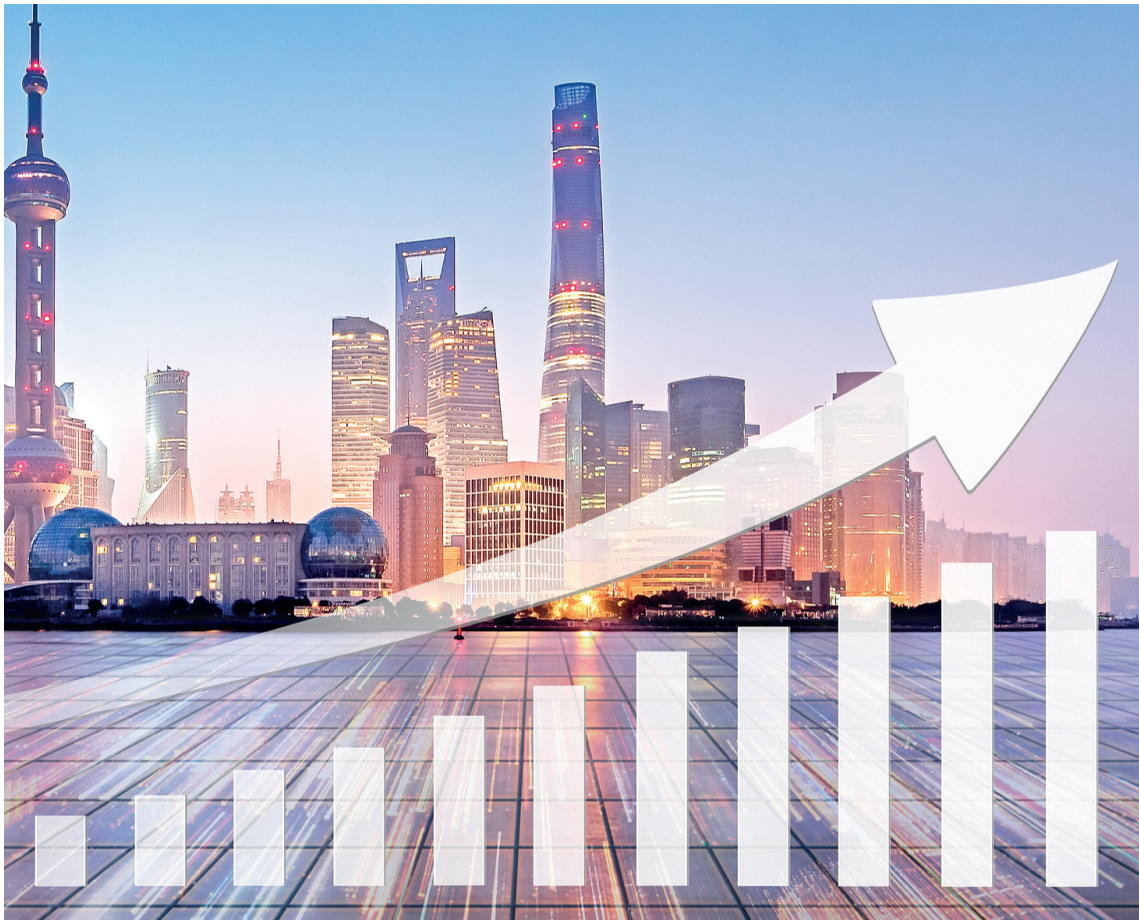
The objective of “building a high-level socialist market economy “ is clearly stated in the Declaration to “optimize the efficiency of resource allocation and maximize the benefits, to be both ‘dynamic’ and ‘well-regulated,’” which is an elegant interpretation of “high level.” This necessarily requires revitalizing the socialist public economy in accordance with the Constitution, correcting the negative trend of the public economy’s declining share in the ownership structure, and achieving the efficient integration of the dominant public

economy with market circulation. At present, the theoretical community has a reference to “the integration of the market economy with the basic economic system,” and it is no longer justifiable to speak of the integration of the public sector and the market economy. This is worth discussing. It is crucial to note that the capitalist private economy, with its many forms of ownership, is inherently premised on market circulation based on private ownership. It is obvious that the socialist market economy system should never require the integration of public ownership with market circulation based on private ownership, and even less so should it be equated with the modern capitalist market economy. The “high-level” socialist market economy must be based on the public sector in terms of market circulation. Government management, based on public ownership and the Communist Party-led alliance of workers and peasants, can consciously overcome “market failures” and the inherent spontaneity and anarchy of market circulation. From the perspective of necessary coordination and unity within the public economy, it requires the operating entities of public enterprises to have the flexibility to adapt to product production and market circulation. To this end, publicly owned enterprises should be given a certain degree of market-oriented, autonomous decision-making power to prevent the government’s top-down, subjective, and command-and-control centralized management. Therefore, it is necessary to properly resolve the contradiction between centralized and unified management and decentralized operations within the public economy. This is the key to achieving a “high level” integration of the public economy and market circulation, which requires government management and public enterprises to strengthen mutual communication and jointly develop solutions for new economic practices.

### Adhering to Marxist Economics to Guide the Construction of the Basic Economic System

The resolution lists “upholding and improving the basic socialist economic system” as an essential part of “focusing on building a high-level socialist market economy.” The term “socialism” here is significant because it clearly states that, although the basic economic system involves a diverse economy of ownership of the means of production, the public economy must occupy the dominant position.

The state-owned economy must lead the national economy. Only then can the basic economic system be socialist in nature. It should be fully recognized that the basic socialist economic system was established under the guidance of Marxist economics, and this concept is not found in Western bourgeois economics. Bourgeois economics, grounded in a philosophical-historical perspective, fails to recognize that ownership of the means of production is the economic foundation of society as a whole and, in effect, safeguards capitalist private ownership.



“Government management, based on public ownership and the Communist Party-led alliance of workers and peasants, can consciously overcome ‘market failures’ and the inherent spontaneity and anarchy of market circulation” (Illustration: VCG/CGTN, 2025).

According to the requirements of historical materialism, Marxist economics always understands the basic economic system of a given society in terms of the actual development of ownership of the means of production throughout society. The constitution of China is precisely based on historical materialism and makes scientific provisions for the basic socialist economic system. If one goes beyond the scope of ownership structures and introduces market circulation to explain the basic economic system, one further exceeds the historical conditions and scope of the basic economy and deviates from historical materialism.

**According to the principles of Marxist economics, there is an inevitable contradiction between the public economy of the means of production and the capitalist private economy. Only under the conditions of China's national conditions, in the face of the danger of colonial aggression by imperialist countries, can the two-form unity under the leadership of the Communist Party, with the premise of an alliance between workers and peasants, safeguard the national economic interests and develop together.**

According to the principles of Marxist economics, there is an inevitable contradiction between

the public economy of the means of production and the capitalist private economy. Only under the conditions of China's national conditions, in the face of the danger of colonial aggression by imperialist countries, can the two-form unity under the leadership of the Communist Party, with the premise of an alliance between workers and peasants, safeguard the national economic interests and develop together. In 1956, China achieved a significant victory in the socialist transformation of private industry and commerce, which was a creative application of Marx's economic principles.

Both theory and practice show that a variety of ownership economies can achieve common development only if they adhere to the socialist public sector as the mainstay. Only such a precondition can guarantee a union between workers and peasants, thus fundamentally safeguarding the economic interests of the whole nation. Once the public economy in society as a whole is reduced to a subordinate position, the economic nature of the entire economy will inevitably shift to capitalism. A series of ills, such as the spontaneous nature of production, the anarchy of circulation, social unemployment, and overproduction, are bound to arise, making national economic interests unable to withstand the destructive shock of imperialism and depriving our country of the preconditions for common development. This is by no means alarmist! The view was expressed that the development of the private economy (called the private sphere), which could increase employment and tax revenue for the state, seemed to be in no contradiction to the public economy. This is something that I cannot agree with.

Given the predominant role of public ownership, providing a specific space for the private



“We must not forget that ‘Chinese’ modernization itself encompasses two basic meanings: ‘scientific socialism’ and ‘China’s national conditions’.” Delegates participate in the closing session of the 20th National Congress of the Communist Party of China on Oct 22, 2022 (Photo: Xinhua, 2022).

sector to develop can play a variety of subsidiary roles in promoting national economic development. However, these positive effects would be impossible to speak of without the fundamental conditions under which public ownership predominates. In conclusion, we must not forget that “Chinese” modernization itself encompasses two basic meanings: “scientific socialism” and “China’s national conditions.” Allowing the proportion of private ownership in the ownership structure to continue rising will inevitably hinder the development of “Chinese modernization.” Therefore, “two unwavering” should not be interpreted in an eclectic way. The public sector of the economy

needs to be understood as maintaining and maintaining its dominant position “unwaveringly”; for the non-public economy, it is necessary to be understood as “unwavering” in promoting it to be less confrontational to the public economy and as an auxiliary force for developing-country modernization. To “promote the complementarity of the strengths of various ownership economies and the common development,” it is most important to implement the spirit of the Declaration and “promote the strengthening, excellence and expansion of state capital and state-owned enterprises” and play the leading role of the state economy in promoting the Chinese style of economic modernization.

### **Commitment to Using Marxist Economics to Guide Economic Opening up**

The resolution states that “opening up is a clear sign of Chinese modernization” and calls for “promoting high-level opening up to build a modern economic system.” Since the reform and opening up, some in the theoretical community have used the neoliberal view to explain the opening up, equating economic opening with the liberalization of cross-border investment by foreign capital. The complete opening of the RMB capital account in the balance of payments is regarded as the ultimate goal of expanding economic openness. Advocates for allowing foreign capital to set up financial institutions in the country or to take control of the stakes in domestic financial institutions, believing that the more foreign investment is taken in, the better. These “no boundaries” claims to open up the economy have, in practice, caused losses to China’s national economic interests. Therefore, it is necessary to implement the spirit of the decision, emphasize strengthening the guidance of Marxist economics in the practice of economic opening up, and make real efforts to “advance high-level” work. First, we should adhere to the basic principle that product circulation is generally distinguished from capital circulation. In international economic relations, a distinction should be drawn between general international product flows and international capital flows. The former manifests itself in the general relationship between international trade and international product production, in which attention should be paid to effective participation in the division of labor in the world market and international competitiveness in commodities, adherence to the laws of international value, and the pursuit of comparative advantage in international

trade and in international commodities production. The latter manifests itself in the relationship between domestic and foreign capital, in the nature of a confrontational contradiction between the ownership of China’s socialist economy and the Chinese nation’s economy, and in the international monopoly of industrial and commercial capital and financial capital. Therefore, the nature of the economic relationship between the two should never be confused. The American neoliberal economist John McKinnon declared that “foreign exchange convertibility for capital projects is usually the last stage in the optimal order of economic marketization” (McKinnon, 1997: 14). This theoretically confuses the relationship between international product flows in general and international capital flows, and essentially aims to free up the powerful capital of the developed capitalist countries to enter and exit the developing countries to promote neo-colonialism grandly. We must not be deceived!

**Although the recession of the United States, which led the imperialist economic system, has become apparent, “the skinny camel is still stronger than the horse,” and the United States continues to play a leading role in the movement of the capitalist world economy.**

Second, we should adhere to the basic principle that there must be an inevitable competition



“To fully realize that contemporary world capitalism is still in the imperialist stage, international economic relations still reflect the opposition between the socialist and the modern capitalist economic systems” (Photo: WEF, 2025).

between capitals. Marxist economics reveals the inherent law of capitalist production pursuing the infinite growth of surplus value, which “acts as a coercive law of competition” (Marx, 2004: 368); “The result of competition is always the collapse of many smaller capitalists, whose capital is partly transferred to the victors and partly eliminated” (Marx, 2004: 722). Therefore, the nature of foreign investment and the laws of capital competition dictate that multinational corporations and monopoly capital invested in China must compete with China’s national capital, leveraging their technological and capital advantages, and attempt to occupy the Chinese market. It will never have “spillover effects” on China, as some people claim.

Thirdly, it should be borne in mind that Lenin inherited and developed the theory of imperialism set out in Marx’s economics. To fully realize that contemporary world capitalism is still in the imperialist stage, international economic relations still reflect the opposition between the socialist and the modern capitalist economic systems. Although the recession of the United States, which led the imperialist economic system, has become apparent, “the skinny camel is still stronger than the horse,” and the United States continues to play a leading role in the movement of the capitalist world economy. In modern times, the average level of labour productivity in advanced capitalist countries is still higher than in China.

If we cannot uphold the independence of the national economy and the basic principles of self-reliance and hard work for entrepreneurship laid down in the Party's basic line, economic opening will only result in the country becoming a colony or a client state of imperialist countries. Therefore, it must always be emphasized that expanding economic opening up is subordinate to and serves national economic independence. In foreign economic work, it is necessary to establish the view of international class struggle and combine economic opening with the ultimate victory over and elimination of capitalism by the world socialist movement.



**The resolution sets out the requirement to “improve the macroeconomic governance system,” emphasizes “improve the system of macroeconomic regulation,” and “improve the national strategic planning system and the mechanism for policy integration and coordination.” This argument is both targeted and theoretically innovative.**

Fourth, the essence of capital should be maintained as the basic principle of surplus value. Marx revealed that “even if capital, when it enters the process of production, is the property earned by the capital user himself, sooner or later it will become the value of possession without paying equivalents, the form of money or other forms of the unpaid labor of others.”(Marx, 2004: 658). That

is, from a reproductive point of view, private capital is essentially all surplus value. Therefore, sooner or later, all the foreign capital entering China will become surplus value created by Chinese workers for foreign investors. In the long run, the more foreign capital enters China, the more surplus value the Chinese people provide to foreign capitalists. Therefore, the scientific formulation should also be “rational utilization of foreign capital,” and it is in no way that the more foreign capital, the better. At the same time, according to Marx's basic principles of social reproduction, the amount of foreign investment imported and the amount of domestic capital should be combined and integrated into national macroeconomic regulation.

### **Continuous Use of Marxist Economics to Guide Macroeconomic Regulation**

The country's scientific macroeconomic regulation is indispensable for advancing Chinese modernization. The resolution sets out the requirement to “improve the macroeconomic governance system,” emphasizes “improve the system of macroeconomic regulation,” and “improve the national strategic planning system and the mechanism for policy integration and coordination.” This argument is both targeted and theoretically innovative. The implementation of the requirements of the Declaration would not be possible without the creative application of the scientific guidance of Marx's macroeconomic theory, which must be distinguished from modern Western macroeconomic doctrines based on Keynesian macroeconomics. Since the introduction of the socialist market economy, China's macroeconomy has been experiencing “significant structural imbalances” for a long time (Guangming Daily, 2016: 1). This is a problem that deserves great attention. It must be seen that this is inseparable



“It must always be emphasized that expanding economic opening up is subordinate to and serves national economic independence” (Illustration: Liu Xiangya/Global Times, 2025).

from the fact that macroeconomic management is influenced by Western bourgeois macroeconomics. It should be recognized that “all schools of modern Western macroeconomics, in defining themselves,” recognize their links to Keynes’ theory (Brian Snowden & Howard R. Wen, 2009: 13). Keynes’s theory is based on his monograph, *General Theory of Employment, Interest, and Money*, and his approach to macroeconomic analysis is unscientific. Practice has shown that it has not rescued modern capitalist countries from a severe economic crisis. Drawing lessons from China will not solve the problem of macroeconomic structural imbalances in China at all. We must fully recognize the macroeconomic

theory of Marx’s economics, which was the pioneer of scientific macroeconomics (Ganqiang, 2017b). A comparison with modern Western macroeconomics based on Keynes makes it clear that bourgeois macroeconomics, which is fundamentally flawed, must not be used in macroeconomic management practice, especially in policy formulation.

Firstly, according to historical materialism, the former reveals that the prerequisite for achieving social reproduction balance is the establishment of the socialist public economic base throughout society, because this determines the distribution of social income according to the results of social labor provided by workers (with the necessary social deductions).

This can eliminate the polarization of social incomes and achieve proportional production among the various industrial sectors of society, thereby achieving a balance between social production and social consumption and eliminating the capitalist economic crisis. The latter, on the other hand, does not understand the need to establish public ownership of the means of production, and instead maintains private ownership, which cannot solve the contradiction between production and consumption, nor achieve the so-called balance of aggregate supply and aggregate demand in the macroeconomy.

**Without understanding the connection and difference between money and money capital, confusing the circulation of money capital with the circulation, and leaving behind the inherent connection between social reproduction and the circulation in order to formulate industrial and monetary policies, the proposed macroeconomic policies can only cure the symptoms, not the root causes.**

Secondly, the former clearly shows that the duality of labor is the hub for understanding the laws of movement in the market economy, and thus can fully reveal the internal linkages between physical and value compensation across the various industrial sectors of social reproduction. The latter, on the other hand, does not understand the dual nature of labor and,

therefore, does not realize the essential link between supply and demand in the macroeconomy, which is seriously one-sided.

Third, the former profoundly understands that social reproduction must proceed from the total value of social products  $\Sigma (c + v + m)$ . Resolving the “most important problem” of the compensation of the means of production, i.e., constant capital (both fixed and mobile capital), in social reproduction (Marx, 2004: 447). The latter, however, followed the teachings of Smith in his study of social reproduction, starting from national income consisting only of wages, profits or interest, and land rent, that is to say, from gross social value products  $(v + m)$ , loses the problem of compensation for constant capital (the means of production). This makes it impossible for modern macroeconomics to solve the problem of social reproduction in the macroeconomy scientifically.

Fourth, the former studies the combination of social reproduction and monetary circulation, examines the inherent connection between social reproduction and the laws of monetary supply, and reveals that the balance of social reproductive activity is expressed through the laws governing the flow of money back (Ganqiang, 2017). It also reveals the relationship between the movement of monetary capital in banks and that of real capital (industrial capital, commercial capital), providing scientific guidance for the scientific management of finance. The latter did not understand the inherent link between social reproduction and monetary circulation. Without understanding the connection and difference between money and money capital, confusing the circulation of money capital with the circulation, and leaving behind the inherent connection between social reproduction and the circulation in order to formulate industrial and monetary policies, the proposed macroeconomic policies can only cure the symptoms, not the root causes.

Fifth, the former revealed the laws of fixed capital compensation in social reproduction, the interconnection between monetary accumulation and real accumulation in social expansion. It provided scientific guidance on macroeconomic movements through mathematical analysis. The latter's constant equation of "savings = investment" for mathematical analysis of the macroeconomy is actually not constant and is wrong (Ganqiang, 2018). It should be noted that under the guidance of Marxist economics, the macroeconomic management of the new China has been actively explored (Chen Yun, 1995: 13, 52-53, 211-212, 244-245). They have also been applied to macroeconomic management practices with relatively good results. We need to combine historical experience with the application and innovation of Marx's macroeconomic theory in future practice, and we believe we can implement the spirit of the Declaration. 🌸

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# An Overview of Socialist Political Economy with Chinese Characteristics\*




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## ABSTRACT

This article examines socialist political economy with Chinese characteristics as a coherent theoretical system grounded in Marxist political economy and continuously reshaped through China's historical practice. The study conceptualizes China's economic model as a dialectical development of Marxist theory under specific national and global conditions. It analyzes the core categories, methodological principles, and value orientations of this framework, with particular attention to the theoretical significance of the socialist market economy as an innovative synthesis of market mechanisms and socialist relations of production. The article further discusses how concepts such as people-centered development, common prosperity, and high-quality growth extend traditional political economy beyond industrial-era assumptions. By emphasizing theory–practice interaction and historical materialism, the study argues that socialist political economy with Chinese characteristics constitutes a distinct paradigm that enriches contemporary political economy and expands the explanatory scope of Marxist economic theory.

**Keywords:** economic reform in China, Marxist political economy, socialist political economy with Chinese characteristics, socialist construction, socialist market economy.

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## Introduction

A SOCIALIST POLITICAL ECONOMY with Chinese characteristics is a new economic approach first publicly and explicitly proposed by Xi Jinping and the Party Central Committee at the Central Economic Work Conference in December 2015. It has been repeatedly emphasized that there is a need to adhere to, study, apply, innovate, and develop this political economy. However, various understandings and in-

terpretations remain regarding fundamental questions, such as the nature of a socialist political economy with Chinese characteristics, its research object, starting point, logical thread, framework, theoretical system, and its basic content and main methods. Addressing these questions requires in-depth discussion and accurate explanation. Therefore, before discussing the major and difficult issues, this paper briefly explains the author's views on these fundamental questions.

## **The Research Object and Definitions of Socialist Political Economy with Chinese Characteristics**

### **Multiple Definitions of the Research Object and Connotation of Socialist Political Economy with Chinese Characteristics**

What constitutes a socialist political economy with Chinese characteristics? This is the first question to be clarified; however, multiple definitions have emerged. This is because the research object determines the discipline's content, system, structure, and boundaries. Consequently, due to different understandings of the research object, definitions of a socialist political economy with Chinese characteristics vary. In summary, there are currently six representative viewpoints in academia:

**It defines a socialist political economy with Chinese characteristics as “the science that studies economic activities, economic relations, and their laws within the framework of socialism with Chinese characteristics.**

1. The research objects are the mode of production and the corresponding production, exchange, and political and state relations. Therefore, a socialist political economy with Chinese characteristics is defined as “the science that studies the mode of production of socialism with Chinese characteristics and the corresponding production, exchange

relations, and political and state relations.” This is the broadest definition, encompassing the widest scope and richest content.

2. The research object is a socialist economy with Chinese characteristics. Therefore, socialist political economy with Chinese characteristics is defined as “the science that socialist economics studies with Chinese characteristics.” This is an abstract concept.

3. The first view holds that the objects of study are economic activities, economic relations, and laws. Therefore, it defines a socialist political economy with Chinese characteristics as “the science that studies economic activities, economic relations, and their laws within the framework of socialism with Chinese characteristics.” This understanding is slightly more specific than the previous one, defining “economy” as “economic activities and economic relations,” and specifying that the object of study includes economic laws.

4. The other view is that the object of study is the mode of production and its developmental laws. Therefore, it defines a socialist political economy with Chinese characteristics as “the science that studies the mode of production and its development laws within the framework of socialism with Chinese characteristics.” This is a relatively narrow understanding that limits the object of study to the scope and content of the mode of production.

5. Another interpretation defines a socialist political economy with Chinese characteristics as “the science of studying the mode of production and its development laws,” considering its research object as the productive forces and relations of production and their development laws. This interpretation is essentially another way of expressing the first viewpoint: the connotations are the same, but this definition clarifies two major aspects of the mode of production.



Xi Jinping pointed out in his report to the 19th CPC National Congress that “socialism with Chinese characteristics has entered a new era” (Photo: CGTN, 2017).

6. A final interpretation defines a socialist political economy with Chinese characteristics as “the science of studying the relations of production and their development laws,” considering its research object as the relations of production (economic relations) and their development laws. This interpretation had the smallest scope and the lowest content.

#### **A Multi-Level Analysis of the Research Object of Socialist Political Economy with Chinese Characteristics**

What exactly is the research object of socialist political economy with Chinese characteristics, and how should the six different understandings and definitions mentioned above be evaluated appropriately? The author believes that the research object of economics, including socialist political economy with Chinese characteristics, can be an-

alyzed and understood at multiple levels, angles, and stages, from the abstract to the concrete, and from simple to complex. The six different understandings and definitions mentioned above are definitions formulated from various levels, angles, and degrees of complexity, and all have a certain degree of correctness.

The first level of research is the economy, which is the most abstract and general definition.

The second level includes economic activities (i.e., the operation and development of the national economy, including the four major links of production, exchange, distribution, and consumption, the two aspects of supply and demand, economic structure, resource allocation methods, operating mechanisms, development modes, resource conservation, environmental protection, etc.) and economic relations (economic base, economic system). This is a more specific definition of the constituents of an economy.

The third level provides the most concrete and comprehensive definition of the economy, encompassing four aspects: production and mode of production, productive forces (including material resources, environment, labor, technology itself, and the relationship between people and things), relations of production (the relationship between people in production, exchange, distribution, and consumption), and the interrelationship and combination of productive forces and relations of production (the relationship between people and things, and the relationship between people themselves, including the combination of labor and means of production, the organization of production, specialization, mechanization, automation, intelligence, networking, digitalization, greening, large-scale production, standardization, batch production, personalization, customization, flexibility, etc., and the liberation, protection, and development of productive forces).

The fourth level extends beyond the scope of the economy because the economic base determines the superstructure, which in turn reacts to the base. Therefore, economic research must not only study productive forces and relations of production, especially the interrelationship between productive forces and relations of production, but also the relations of production in conjunction with the superstructure, examining the relationship between the economic base and the superstructure (including politics, the state [government], ideology, culture, and management). This is a key reason why political economy includes the word “political.”

The primary task of the classical Marxist political economy is to scientifically analyze and reveal the contradictory movement and development laws of the capitalist economy. Based on this, it proposes the inevitability of a trend towards so-

cialism and communism, objectively providing a theoretical basis for the proletarian revolution, the overthrow of the capitalist economic system, and the establishment of a new socialist system. However, this does not mean that Marxist political economy is merely “revolutionary economics,” because it is first and foremost a scientific economics. Its role is not only to guide the proletarian revolution but also to guide the general direction of socialist construction. To say that Marxist political economy is merely “revolutionary economics” can easily lead to the misunderstanding that the Chinese revolution has succeeded and that the main task now is construction, rendering Marxist political economy ineffective and outdated. This often becomes a pretext for some to deny and oppose Marxist political economy.

**To sustainably and effectively develop a socialist economy or build socialism, it is necessary to improve socialist economic and political systems continuously through socialist reforms.**

Classical Marxist political economy focuses on studying the contradictory movement of the capitalist mode of production and the evolutionary trend of production relations, rather than on consolidating and improving the capitalist system or on achieving sustained and effective development of the capitalist economy. The main tasks of Western economics were to consolidate and improve the capitalist system and achieve sustained and effective development of the capitalist economy. The difference lies in the fact



that, as the main task of contemporary Chinese Marxist political economy, a socialist political economy with Chinese characteristics provides a theoretical basis and guidance for establishing and improving the socialist economic system, developing the socialist economy, and ultimately realizing communism. It should focus on studying how to sustainably and effectively develop the socialist economy; this can be called the “economics of socialist construction” (including socialist development economics and managerial economics). However, it cannot be simply called “construction economics”; it should also be called “reform economics,” and even “revolutionary economics.” This is because revolution is a form of social change that can take the form of armed

struggle or reform. To sustainably and effectively develop a socialist economy or build socialism, it is necessary to improve socialist economic and political systems continuously through socialist reforms. Socialist reform can also be considered as a second socialist revolution. The first socialist revolution established a socialist system, and the second was intended to improve it.

Whether economics should study productive forces has long been a subject of debate. Most scholars now believe that a socialist political economy with Chinese characteristics cannot only study production relations but must also study productive forces, because the essential requirement and fundamental task of socialism is to develop productive forces. This is very correct.

However, it must be clarified that the productive forces studied in economics are not the material attributes of productive forces and their laws of change; those are the research objects and tasks of natural sciences and engineering technology. Economics studies productive forces from the perspective of the relationship between people and things; studying the mutual relationship and combination between productive forces and relations of production; studying how to liberate, protect, and develop productive forces; and studying the development, allocation, utilization, organization, operation, and management of productive forces. Economics cannot study productive forces in isolation from relations of production and the superstructure; it must study them in conjunction with the superstructure and should focus on relations of production. This is because the relations between production (economic base) and the superstructure have a significant countereffect on productive forces; they can both promote and hinder their development. Moreover, the development, allocation, utilization, organization, operation, management, liberation, protection, and development of productive forces are not only relationships between people and things but also relationships between people. For example, specialization and the division of labor involve not only the relationship between people and things in production but also the relationship between people and the division of labor and cooperation between people, rather than just between people and things. The allocation of productive forces, or “resource allocation,” primarily operates through market mechanisms and planning mechanisms. Market mechanisms fall under the category of production relations, whereas planning mechanisms involve establishing political and institutional arrangements. Liberating productive forces” means eliminating economic and political

institutional barriers that hinder the development of productive forces, forming economic and political systems conducive to the development of productive forces, and promoting the development of productive forces. Developing productive forces requires mobilizing enthusiasm for production and management. The key to mobilizing this enthusiasm lies in forming incentive mechanisms that mainly involve production relations, economic systems, and political systems.

### **Terminological Clarification of Socialist Political Economy with Chinese Characteristics**

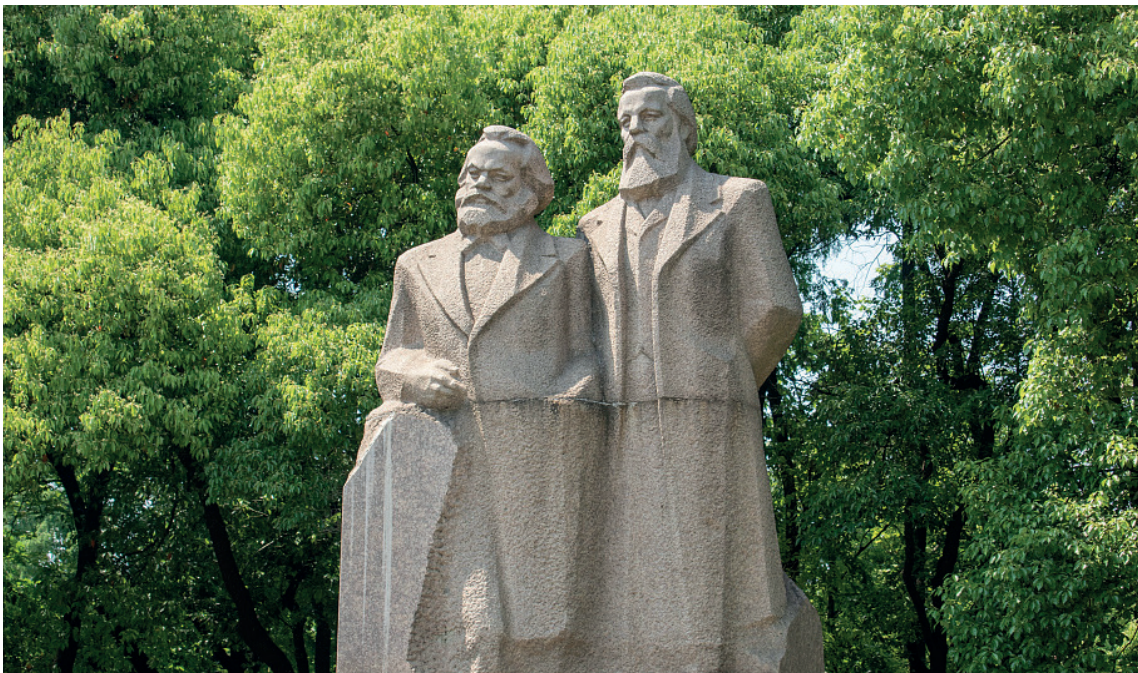
Currently, several economic terms related to a socialist political economy with Chinese characteristics are used in the Chinese economic community. However, there is no clear consensus on the connotations, denotations, differences, and connections among these terms. What constitutes a socialist political economy with Chinese characteristics? What is its relationship with economics, political economy, Marxist economics, Marxist political economy, the contemporary Chinese Marxist political economy, and Marxist political economy with Chinese characteristics? What are the differences and connections between them? These questions must be understood correctly in terms of learning, researching, innovating, developing, and applying a socialist political economy with Chinese characteristics.

Economic theory has existed since ancient times, but has only become an independent discipline since the advent of a capitalist society. The author believes that economics is the general term for all disciplines that study human socio-economic activities (behaviors) and economic relations, as well as their laws and applications,

including two major categories: theoretical economics and applied economics. Political economy is the most important branch of economics, studying the mode of production, especially the relations of production and their laws of change; it is the theoretical foundation of all other branches of economics. Economic classification primarily relies on the research object and its characteristics. According to differences in scientific rigor, class nature, historical era, social form, and national/regional origin, political economy can be further classified in various ways: According to scientific rigor, there is scientific political economy and vulgar political economy (i.e., non-scientific political economy); according to class nature, there is bourgeois political economy, proletarian political economy, and petty-bourgeois political economy; according to historical era, there is

classical political economy (or ancient political economy) and modern political economy; according to the social form of the research object, there is capitalist political economy and socialist political economy; according to the scope of the social form of the research object, there is broad political economy (all societies) and narrow political economy (a specific society); according to the national/regional origin of the research object, there is British political economy, American political economy, Soviet political economy, Chinese political economy, etc.

Furthermore, these different classification criteria can be combined to create new classifications of political economy. For example, combining the class nature, historical era, and national origin of political economy resulted in the British classical bourgeois political economy.



“Marx and Engels founded the classical Marxist political economy, which the contemporary Marxist political economy inherited and developed.” A statue of Karl Marx and Friedrich Engels is seen at a park in Shanghai (Photo: VCG/China Daily, 2018).

Marxist political economy is a scientific proletarian political economy founded by Marx and Engels. Marxist economics is an abbreviation for Marxist political economy. Marx and Engels founded the classical Marxist political economy, which the contemporary Marxist political economy inherited and developed. As its research objects mainly include capitalist and socialist economies, it is further divided into the capitalist part of the Marxist political economy (also called capitalist political economy, which studies primarily capitalist economies) and the socialist part of the Marxist political economy (also called socialist political economy, which mainly studies socialist economies). Contemporary Chinese Marxist political economy is the Marxist political economy developed in China by applying its standpoint, viewpoints, and methods to study contemporary economies (including Chinese, world, developed Western, and developing country economies). Furthermore, as China's current socialist economy is in the primary stage of socialism with Chinese characteristics, a Marxist political economy that studies this stage is also called a socialist political economy with Chinese characteristics.

### **The Formation and Development of Socialist Political Economy with Chinese Characteristics**

A socialist political economy with Chinese characteristics is guided by Marxist political economy, drawing on its standpoints, viewpoints, and methods to study the socialist economy in China. It is a product of the combination of the basic principles of Marxism and socialist practices with Chinese characteristics, a theoretical summary of the practical experience in developing a socialist economy with Chinese

characteristics, and an essential component of the latest research achievements in the contemporary Chinese Marxist political economy. However, the exploration of the Chinese socialist political economy began with the founding of the People's Republic of China, and a socialist political economy with Chinese characteristics gradually formed and developed in China after the reform and opening up, especially after the proposal of socialism with Chinese characteristics. The process of China's reform and opening-up is also the process of exploring and building socialism with Chinese characteristics, as well as the process of the formation and development of a socialist political economy with Chinese characteristics. After 40 years of reform and opening up, economic development practices and related theoretical research, a socialist political economy with Chinese characteristics can be said to have taken shape. Reviewing and summarizing the formation and development of a socialist political economy with Chinese characteristics since the reform and opening up is of great significance for adhering to, learning from, applying, and further innovating and developing it.

This article discusses the relevant research context regarding the formation and development of a socialist political economy with Chinese characteristics, its main achievements, shortcomings, and future development tasks. Western economists do not examine a socialist political economy with Chinese characteristics, which they do not endorse; despite numerous foreign scholars analyzing China's reform, opening up, and economic development, they do not consider it within the framework of a socialist political economy with Chinese characteristics. Therefore, we discuss the relevant research con-

ducted by Chinese scholars.

The formation and development of a socialist political economy with Chinese characteristics can be roughly divided into the following stages: the initial proposal stage from 1978 to 1986, the basic formation stage from 1987 to 1996, the development stage from 1997 to 2011, and the finalization and maturation stage, beginning with the 18<sup>th</sup> National Congress of the Communist Party of China (CPC) in 2012.

### Research in the Initial Stage (1978-1986)

In 1978, China began its reform and opening up, and it can be said that the exploration of socialist political economy with Chinese characteristics also started simultaneously. The most significant landmark achievements were: the “Resolution on Certain Historical Issues of the Party Since the Founding of the

People’s Republic of China,” adopted by the Sixth Plenary Session of the 11th CPC Central Committee in 1981, which for the first time explicitly stated that “China’s socialist system is still in its primary stage”; Deng Xiaoping, in his “Opening Address to the 12th National Congress of the CPC” on September 1, 1982, which for the first time explicitly stated that “combining the universal truth of Marxism with my country’s specific realities, taking our own path, and building socialism with Chinese characteristics—this is the basic conclusion we have drawn from summarizing long-term historical experience” (Xiaoping, 1993: 3); the 12th National Congress of CPC in 1982, which proposed “developing diverse economic forms”; and the Third Plenary Session of the 12th CPC Central Committee in 1984, which for the first time proposed “a planned commodity economy based on public ownership.”



Deng Xiaoping addresses the opening ceremony of the 12th National Congress of the CPC in Beijing on September 1, 1982 (Photo: CGTN, 2017).

The research achievements at this stage are concentrated in the first programmatic document on China's reform and opening-up. In 1984, Deng Xiaoping pointed out that the "Decision of the CPC Central Committee on Economic System Reform" "constituted a preliminary draft of political economy, a political economy that combines the basic principles of Marxism with the practice of socialism in China," marking the initial proposal of socialist political economy with Chinese characteristics (Xiaoping, 1993: 83). Party and state leaders, with Deng Xiaoping as their primary representative, played a decisive role in the proposal and subsequent basic formation of a socialist political economy with Chinese characteristics, whereas older generation economists, represented by Sun Yefang, Xue Muqiao, Yu Guangyuan, Xu Dixing, and Hu Qiaomu, made significant contributions to its initial proposal and subsequent basic formation.

A prominent feature of the exploration and research during this stage was the dispatch of relevant leaders and economists to Eastern Europe to investigate the economic systems and reforms of Eastern European socialist countries, with a strong emphasis on learning from and referencing the theories of the socialist economy by Eastern European economists such as Oscar Lange, Bruce, Korné, and Sik.

### **Research on the Basic Formation Stage (1987-1996)**

This stage can be considered the basic formation of a socialist political economy with Chinese characteristics. This is because the 13<sup>th</sup> National Congress of the CPC in 1987 systematically elucidated the theory of the primary stage of socialism, and the 14<sup>th</sup> National Congress of the CPC in

1992 explicitly proposed, for the first time, a theory of a socialist market economy. In particular, the 1993 "Decision of the CPC Central Committee on Several Issues Concerning the Establishment of a Socialist Market Economy System," the second programmatic document of China's reform and opening up, put forward a relatively comprehensive theory of a socialist market economy, the theory of ownership of socialism with Chinese characteristics, and the theory of income distribution, marking the basic formation of the main contents of socialist political economy with Chinese characteristics.

The socialist market economy theory is a new economic theory developed by China during the reform and opening-up period. This is the most significant innovation of contemporary Marxist political economy, in keeping with the times, the most essential content of socialist political economy with Chinese characteristics, and the fundamental theory guiding China's remarkable achievements in economic reform and development since its reform and opening up.

The prominent feature of this stage of exploration and research is that it began to introduce, absorb, and learn from Western economics, especially the theories and methods of the modern market economy, and enriched them into a socialist political economy with Chinese characteristics. This played an essential role in the formation and development of a socialist political economy with Chinese characteristics, especially the socialist market economy theory. However, to a certain extent, there was also a tendency to believe that Marxist political economy was outdated, or even to deny it completely, and to vigorously promote and admire Western economics, especially modern Western economics.

### **Research on the Stage of Some Development (1997-2011)**

This stage saw limited theoretical breakthroughs and was significantly impacted by Western neoliberal economics, but it continued to develop through exploration, hence the term “stage of some development.” The main achievements of this stage include: the 16th CPC National Congress in 2002 proposing a new path of industrialization for China; the Third Plenary Session of the 16<sup>th</sup> CPC Central Committee in 2003 proposing a people-centered, comprehensive, coordinated, and sustainable scientific development concept; and the 17<sup>th</sup> National Congress of CPC in 2007 proposing a new path of industrialization with Chinese characteristics, a path of urbanization with Chinese characteristics, a path of agricultural modernization with Chinese characteristics, a path of independent innovation with Chinese characteristics, and the construction of a resource-saving and environmentally friendly “two-oriented society.” Significant progress has been made in the theory of economic development.

At this stage, although the theory of a socialist market economy had been proposed, it remained immature and incomplete. In his article “A Re-understanding of Developing a Socialist Market Economy,” published in the fourth issue of *Southeast Academic Journal* in 2001, Comrade Xi Jinping pointed out that “in the practice of establishing and developing a socialist market economy, on the one hand, there is the problem of deeply ingrained traditional planned economy consciousness, with some people consciously or unconsciously resisting the market economy; on the other hand, there is also the problem of some people completely copying Western economic theories and using Western capitalist private ownership market

economy theories to guide the new practice of a socialist market economy. Almost all the works on the socialist market economy to date are restates of Western market economy theories; no one has clearly explained the connotation, characteristics, and operating mechanism of the socialist market economy, or how socialism and the market economy are combined, making it even more difficult to conduct a theoretical comparison and demonstration between the socialist market economy and the capitalist market economy” (Xi, 2001: 4).

The most prominent feature of this stage of exploration and research is that the socialist political economy with Chinese characteristics has been significantly impacted by Western economics, leading to the “marginalization” of the Marxist political economy. Faced with the impact of neoliberal economics, older generation economists, such as Liu Guoguang, Song Tao, Wei Xinghua, Jiang Xuemo, Wu Shuqing, Gu Shutang, Wu Xuangong, Wu Yifeng, and Zhou Xincheng, along with some middle-aged and young economists, combined the realities of China’s reform and development with the persistence of Marxist political economy research, thus contributing to the development of a socialist political economy with Chinese characteristics.

### **Research on the Formulation and Maturation Stage, Beginning with the 18<sup>th</sup> National Congress of the CPC in 2012**

Since the 18th National Congress of the CPC in 2012, China’s economic development has entered a new normal with many new situations, characteristics, problems, and tasks emerging. There is a need to innovate, develop, and apply a socialist political economy with Chinese characteristics that adhere to its fundamental principles.

Although socialist political economy with Chinese characteristics has been basically formed after the exploration and research of the previous three stages, the name “socialist political economy with Chinese characteristics” has not yet been formally and explicitly proposed, its main content and general framework have not been clearly summarized and confirmed, and the deviations that occurred in the first two stages have not been effectively corrected. It is against this backdrop that Comrade Xi Jinping has repeatedly delivered essential speeches in recent years, formally and explicitly using the term “socialist political economy with Chinese characteristics,” emphasizing the need to adhere to it, develop it, learn from it, and effectively apply it.

**In practical work, Marxism has been marginalized, rendered abstract, and labeled in some fields, becoming ‘silent’ in some disciplines, ‘missing’ from textbooks, and ‘silent’ in forums. This situation must be considered seriously.**

On July 8, 2014, at a symposium with experts on the economic situation, President Xi Jinping pointed out that Party committees and governments at all levels must study and apply political economy effectively; consciously understand and better follow the laws of economic development; and continuously improve their ability and level in promoting reform and opening up, leading economic and social development, and enhancing the quality and efficiency of eco-

nomical and social development.”

On November 23, 2015, during the 28th collective study session of the Political Bureau of the CPC Central Committee, President Xi Jinping emphasized that it was necessary to study, research, and apply Marxist political economy based on the country’s national conditions and development practices, and to develop a contemporary Chinese Marxist political economy. He specifically pointed out that this is a compulsory course for upholding and developing Marxism and clearly summarized many important theoretical achievements of the contemporary Chinese Marxist political economy since the Third Plenary Session of the 11th CPC Central Committee.

At the Central Economic Work Conference, which concluded on December 21, 2015, President Xi Jinping explicitly proposed “adhering to the major principles of socialist political economy with Chinese characteristics,” and publicly used the term “socialist political economy with Chinese characteristics” for the first time.

In his speech at the Party School Work Conference in April 2016, Xi Jinping clearly pointed out that the decisive stage of building a moderately prosperous society in all respects presents unprecedented challenges to our Party’s governance: “The rapid changes in the situation and environment, the heavy tasks of reform, development, and stability, the numerous contradictions, risks, and challenges, and the magnitude of the tests are all unprecedented.” He sharply emphasized: “Some people regard Western theories and discourses as golden rules, unknowingly becoming cheerleaders for Western capitalist ideology. If we use the Western capitalist value system to tailor our practices, and use the Western capitalist evaluation system to measure



Xi Jinping: 'We must continuously improve the theoretical system of socialist political economy with Chinese characteristics, and promote the construction of an economic discipline that fully reflects Chinese characteristics, style, and spirit' (Photo: Jin Ding/China Daily, 2026).

our country's development, deeming it acceptable as long as it conforms to Western standards, and dismissing anything that doesn't as backward and outdated, then the consequences will be unimaginable! Dare to speak out and draw your sword, be adept at resolving doubts, and dispel confusion. Marxism is the 'true scripture' for us Communists. If we don't study the 'true scripture' well and always think about 'going to the West to obtain scriptures,' we will jeopardize important matters!" (Xi, 2016).

In his speech at the Symposium on Philosophy and Social Sciences on May 17, 2016, Xi

Jinping pointed out sharply: "Some believe that Marxism is outdated and that what China is doing now is not Marxism; some say that Marxism is merely an ideological indoctrination, lacking academic rationality and systematicity. In practical work, Marxism has been marginalized, rendered abstract, and labeled in some fields, becoming 'silent' in some disciplines, 'missing' from textbooks, and 'silent' in forums. This situation must be considered seriously." He also pointed out: "Some people say that Marxist political economy is outdated, and 'Capital' is outdated. This statement is arbitrary" (Xi, 2016a).

On July 8, 2016, President Xi Jinping, while presiding over a symposium with experts on the economic situation, pointed out: “To uphold and develop socialist political economy with Chinese characteristics, we must take Marxist political economy as our guide, summarize and refine the great practical experience of my country’s reform and opening up and socialist modernization, and at the same time draw on the beneficial elements of Western economics. A socialist political economy with Chinese characteristics can only be enriched and developed in practice and must also withstand the test of practice, thereby guiding practice. We must strengthen research and exploration, summarize the understanding of laws, continuously improve the theoretical system of socialist political economy with Chinese characteristics, and promote the construction of an economic discipline that fully reflects Chinese characteristics, style, and spirit.” (Xinhua, 2016). This speech clarified the relationship among a socialist political economy with Chinese characteristics, Marxist political economy, and Western economics, outlined the basic tasks and paths for innovating and developing a socialist political economy with Chinese characteristics, and had important guiding significance.

Inspired by these speeches, a surge in learning, research, innovation, development, and the application of a socialist political economy with Chinese characteristics began to emerge. Several important newspapers and journals began publishing related research papers one after another, marking the beginning of a stage in which a socialist political economy with Chinese characteristics eliminated interference, corrected deviations, conducted comprehensive and in-depth research, and moved towards

a mature, well-defined stage. This marked the beginning of the golden era of research on a socialist political economy with Chinese characteristics. Some scholars have even said that the spring of research on Marxist political economy has arrived.

### **The Main Content and Theoretical Structure of Socialist Political Economy with Chinese Characteristics**

In the process of economic reform and development with Chinese characteristics, after 40 years of exploration, research, and innovation, a socialist political economy with Chinese characteristics has achieved fruitful results. It can be said to have taken shape from its main content to its general framework. However, what are the main achievements—that is, the main contents of the socialist political economy with Chinese characteristics—and what framework should be adopted to constitute its current theoretical system? The views of the Chinese academic community are not entirely consistent, particularly regarding basic content. Some summarize it into six aspects, others into seven, and others into ten or more. Furthermore, some summaries suffer from duplication, overlap, and a lack of coordination and unity at the summary level (Xinhua & Jiang, 2016).

For example, some consider the new theory of socialist economic development as the main content, while also listing the Scientific Outlook on Development; the people-centered development philosophy; the new development concepts of innovation, coordination, green development, openness, and sharing; and the new type of industrialization, urbanization, agricultural modernization, informatization, and the path of independent innovation with Chinese characteristics



“A socialist economy with Chinese characteristics is formed and developed through reform; therefore, further research and explanation of reform are needed, namely, the theory of socialist economic reform” (Photo: China Daily, 2023).

as parallel main contents. This results in unclear levels of summary and duplication, even though the latter are precisely the main components or specific contents of the new development theory and should be included.

For example, some treat basic economic system theory and ownership theory as parallel fundamental components of a socialist political economy with Chinese characteristics. This also suffers from an unclear hierarchy and overlap, as the basic economic system primarily concerns ownership.

Regarding the main content and theoretical system of a socialist political economy with Chinese characteristics, this book's preliminary view is that the main achievements of the socialist political economy with Chinese characteristics since the reform and opening up have yielded eight

main components with the following structure:

First, answering the question What is socialism? This is the essential theory of a socialist economy. What is the current stage of socialism in China? In other words, it was the primary stage of socialism. Next, we study and discuss the basic economic and distribution systems of socialism with Chinese characteristics, that is, ownership theory and the closely related distribution system theory. Based on clarifying the basic economic and distribution systems, we analyze the operational characteristics and modes of socialism with Chinese characteristics, that is, the theory of a socialist market economy. Finally, it focuses on the development of socialism with Chinese characteristics, completing the research and explanation of socialism with Chinese characteristics—that is, the theory of socialist economic development.

A socialist economy with Chinese characteristics is formed and developed through reform; therefore, further research and explanation of reform are needed, namely, the theory of socialist economic reform. A socialist economy with Chinese characteristics still relies on opening up to the outside world for its formation and development, and cannot be separated from international economic ties. Following a logic from domestic to international, the discussion then moves to the study and discussion of opening up to the outside world, namely, the theory of socialist opening-up.

In Conclusion in light of the new era's circumstances, it reiterates and clarifies the general direction of the development of socialism with Chinese characteristics: the realization of communism, namely, the theory of communism.

Summarizing the main content and framework of a socialist political economy with Chinese characteristics according to this logical connection can yield a hierarchical structure and a more systematic framework, making them clearer, more accurate, and more rigorous. According to this logic and method, the main content of a socialist political economy with Chinese characteristics includes the following eight fundamental aspects:

1. The first is the theory of socialist essence: liberating and developing productive forces, eliminating exploitation and polarization, and ultimately achieving common prosperity.

2. The theory of the primary stage of socialism: the inevitable historical stage that China must go through to achieve socialist modernization under conditions of backward productive forces, an underdeveloped commodity or market economy, and an immature and imperfect socialist system.

3. The theory of socialist ownership, with public ownership as the mainstay, common development of multiple forms of ownership, implementation of modern enterprise systems in state-owned enterprises, and the development of a mixed economy.

4. The theory of socialist distribution, with distribution according to work as the mainstay, the coexistence of multiple distribution methods, taking into account efficiency and fairness, allows some people to get rich first and ultimately move towards common prosperity.

5. The theory of a socialist market economy, which combines the market economy with socialism, including public ownership, allows the market to play a decisive role in resource allocation while better leveraging the government's role.

6. A new theory of socialist economic development, including the people-centered development philosophy; the scientific outlook on development (people-oriented, comprehensive, coordinated, and sustainable); the five major development concepts of innovation, coordination, green development, openness, and sharing; the path of new industrialization, urbanization, informatization, agricultural modernization, and independent innovation with Chinese characteristics; the transformation of the economic development model; the adjustment and optimization of the economic structure; the shift from high-speed to high-quality growth; the construction of a modern economic system; the new normal, new drivers of growth; and the new economy.

7. The theory of socialist economic system reform under the leadership of the Communist Party is characterized by self-improvement and development, a gradual approach (combining



China is set to press ahead with consumption-led and technology-driven expansion in 2026 as the economy undergoes a structural shift toward higher-quality growth (Photo: Ma Xuejing/China Daily, 2025).

trial and error with top-level design and experimentation before implementation), and the coordinated unity of reform, development, and stability.

8. Under globalization, we must uphold independence and self-reliance; implement an all-round, broad-ranging, multi-level, and high-level opening-up; fully utilize both domestic and international markets and resources; participate in, promote, and lead economic globalization; build a community with a shared future for humanity; and truly realize the socialist theory of opening-up to the outside world based on openness, inclusiveness, equal cooperation,

mutual benefit, and peaceful development.

In conclusion, the final analysis examines the major trends in the evolution of a socialist economy with Chinese characteristics and, in light of the new characteristics of the times, reiterates and demonstrates that communism is a lofty ideal that can ultimately be realized, not a utopian fantasy. These key points are reflected in the important documents and decisions of the Party and the State regarding reform, opening-up, and economic development as well as in the speeches of major leaders. Many scholars have made significant contributions to this study.

### **The Necessity and Urgency of Developing and Applying Socialist Political Economy with Chinese Characteristics**

In the article titled *China's Era of Knowledge Shortage*, published in the *Lianhe Zaobao* on January 26, 2016, renowned Singaporean scholar Zheng Yongnian sharply pointed out that "China's supply of effective knowledge is insufficient. Over the past 30 years, China's reforms have achieved tremendous success and have accumulated rich practical experience. However, neither theoretical nor policy research circles have been able to explain China's experience. For a long time, China has only possessed economics imported from the West, and Marxist economics have not developed by combining it with China's actual situation. How can China's economic practices be explained without an economic theory unique to China? Various economists imported from the West are even less able to explain the problems facing the Chinese economy; using them to solve China's problems often exacerbates these problems." The author believes that Zheng Yongnian's assessment of the current state of Chinese economics is not entirely accurate and is partly right and partly wrong. This is wrong because Chinese economics, since the reform and opening up, has not been entirely useless. Rather, it has gradually formed and developed a socialist political economy with Chinese characteristics, creating many new theories not found in Western economics and making unique and significant contributions to China's economic reform and development. As mentioned earlier, China has proposed a new socialist market economy theory that combines public ownership as the mainstay with multiple forms of ownership and a market economy. Through continuous trial and error, and by summarizing experiences and lessons learned in the process of reform, the Chinese peo-

ple created a new theory of socialist economic system reform that had never existed before, guiding China's reform, opening up, and economic development to achieve remarkable success. This is because Chinese economic theory lags behind practice. The basic theoretical research on socialist market economies is relatively weak. The reforms of state-owned enterprises, rural land and agricultural management systems, and property and income distribution systems remain unclear. Faced with numerous difficult practical problems, effective solutions are lacking. Indeed, there is a tendency to blindly worship and copy Western economic and management practices. Recent examples include the blind introduction of the stock market circuit breaker mechanism and the tendency of a few researchers to simply apply Reaganomics supply-side economics.

In his article, Zheng Yongnian also stated, "China has also had a period of abundant knowledge supply, namely the 1980s and early 1990s, the time of transition from a planned economy to a commodity economy, and then to a socialist market economy. At the time, although few people held doctoral degrees, they were a generation that truly understood China and bore a strong sense of responsibility for its national development." This generation researched, formed, and developed a socialist political economy with Chinese characteristics, and used it to guide China's reform and development to achieve tremendous success.

For reform and development to continue, it is important to conduct in-depth research, develop, and apply a socialist political economy with Chinese characteristics. China's economic development has now entered "a new normal" and is once again in a period of major turning points, reforms, adjustments, and transformations, with new characteristics emerging in all important aspects of economic development. The economic development goal has



Chinese modernization remains committed to the principle that development should serve the people, depend on the people, with its benefits shared by the people (Photo: Su Yongzhu/People's Daily, 2023).

shifted from solving the problem of basic needs to building a moderately prosperous society in all respects, and then to realizing socialist modernization; the economic operating state has shifted from a shortage economy to a relatively surplus economy, and now needs to be further transformed into an economy with a basic balance between supply and demand; the economic growth rate has declined from high speed for six consecutive years to medium-high speed, and needs to continue to be maintained at medium-high speed; the industrial structure has shifted from heavy industry being too heavy, light industry being too light, service industry being too small, and agriculture lagging behind, to general manufacturing being oversupplied, high-end manufacturing being insufficient, service industry developing, and agriculture still lagging behind, and then to high-tech industries, high-end manufacturing, and service industry, especially modern service

industry, as the mainstay, while agriculture is modernized; the urban-rural structure has shifted from severely lagging urbanization to rapid advancement, with the gap between industry and agriculture and between urban and rural areas widening and the urbanization rate exceeding 50%, and needs to be further transformed into actively and steadily promoting high-quality and healthy new urbanization, with the urbanization rate exceeding 60%, narrowing the gap between industry and agriculture and between urban and rural areas, and achieving urban-rural integration; the regional structure has shifted from a relatively small gap to widening, and then to narrowing; the growth drivers have shifted from mainly relying on The Chinese economy is shifting from being driven primarily by investment, external demand, and traditional industries to being driven mainly by innovation, consumption, domestic demand, and modern industries.

The development model is shifting from extensive, inefficient, and quantity-driven expansion—which leads to resource consumption, environmental pollution, imbalances, incoordination, and unsustainability—to intensive, quality-prioritized, resource-saving, environmentally friendly, balanced, coordinated, and sustainable development. The ownership structure is shifting from a one-sided pursuit of a single public ownership system to the coexistence of multiple ownership systems, with a significant decrease in the proportion of public and private ownership exceeding 50%, and then continuing to unswervingly develop private ownership while strengthening, optimizing, and expanding public ownership, truly achieving the common development of multiple ownership systems, with public ownership as the mainstay. The distribution of wealth and income is shifting from prioritizing fairness and exhibiting a strong tendency towards egalitarianism, to prioritizing efficiency and widening the gap, and then to a balance between fairness and efficiency, narrowing the gap, sharing the fruits of development, and gradually moving towards common prosperity. The economic system is shifting from a traditional planned economy to a socialist market economy and then to a mature and perfect socialist market economy.

China's new economic norms are confronting many new situations, characteristics, and problems, requiring the completion of complex and arduous tasks. Under the new normal, China faces several major theoretical and practical dilemmas: It must leverage the effectiveness and advantages of the market in allocating resources while overcoming market failures caused by spontaneity and blindness; it must better utilize the government's role in overcoming market

failures while preventing government failures caused by informational and interest-based limitations; it must give full play to the leading role of the public sector while overcoming its existing problems and shortcomings, effectively strengthening, optimizing, and expanding the public sector to truly achieve integration (combination and compatibility) between public ownership and the market economy; it must continue to develop the private sector and give full play to its positive role while minimizing its adverse effects; it must appropriately widen the gap in wealth and income to pursue efficiency while also paying attention to fairness and reasonably narrowing the wealth gap, truly achieving a balance between fairness and efficiency, ultimately moving towards common prosperity; it must eliminate “shortage economy” while avoiding “oversupply economy,” striving for a basic balance between supply and demand (Xinhua, 2016). These are global challenges that existing economics, including modern Western economics, have failed to address, and neither Keynesianism nor Reaganomics can solve them. The only solutions lie in Marxist political economy, in-depth practical exploration, and theoretical innovation.

**In particular, it is essential to be guided by major issues in China's reform and development, rather than merely discussing empty, abstract principles.**

This situation demonstrates that China needs to further develop and adopt a political economy

with Chinese characteristics, which is a matter of utmost urgency. This is likely one of the key reasons why the Party Central Committee and President Xi Jinping have repeatedly emphasized the need to study, research, and apply Marxist political economy, and to develop a contemporary Chinese Marxist political economy, especially one with Chinese characteristics.

It is especially important to enhance further understanding of the importance of a socialist political economy with Chinese characteristics, address its marginalization, establish it as mainstream economics in China, vigorously cultivate young Marxist political economists, expand the research team, and improve research capabilities. In particular, it is essential to be guided by major issues in China's reform and development, rather than merely discussing empty, abstract principles. The focus should be on closely following the practice of China's reform, opening up, and development; organizing research to explore major issues in China's reform and development and global challenges; scientifically summarizing China's experience; elevating practical experience into a systematic economic theory; and contributing ideas and suggestions for China's reform and development in the new stage, proposing more targeted, operable, and correct and reasonable countermeasures and recommendations.

### **Shortcomings and Future Development Tasks of the Study of Socialist Political Economy with Chinese Characteristics**

After 40 years of formation and development, a socialist political economy with Chinese characteristics, while possessing its basic content and general framework, is still in its early stages. Com-

pared to a complete, scientifically sound, logical system such as Capital, it still has significant gaps and shortcomings. For example, its initial scope and overarching theme remain unclear, making it difficult to reach a consensus. Many theoretical and practical problems related to these main components remain unresolved. A socialist political economy with Chinese characteristics has yet to gain its own voice in domestic and international economic communities. The unresolved or scientifically unanswered problems mainly include the following:

1. Faced with the significant decline in the proportion of the public sector economy, it is necessary to both maintain and give full play to the dominant role of the public sector economy, overcome the existing problems and defects, and effectively strengthen, optimize, and expand the public sector economy (including the reform and development of state-owned enterprises and the effective development of rural collective economies), and prevent the problem of "privatization."

2. Faced with the current situation where the proportion of the private sector economy has exceeded 60% and the problems are becoming increasingly prominent, we must both continue to unswervingly develop the private sector economy and give full play to its positive role and minimize its negative effects as much as possible, especially the labor-capital conflicts and wealth polarization that the private sector economy may cause.

3. Faced with excessive income and wealth disparity, we must overcome egalitarian tendencies, appropriately widen the gap in wealth and income distribution, pursue efficiency, simultaneously pay attention to fairness, reasonably narrow the wealth gap, truly achieve a balance between fairness and efficiency, share the fruits of development, and ultimately move towards common prosperity.

4. The coordination between the principle of class struggle in Marxist political economy and the practice of building a socialist harmonious society in China, and how to truly ensure that China's reform and opening up does not "lead to polarization" or "create a new bourgeoisie," as Deng Xiaoping pointed out.

5. The theory of a socialist market economy concerns the system, mechanism, and basic characteristics of the operation of a socialist economy with Chinese characteristics. This is the most important theoretical innovation in a socialist political economy with Chinese characteristics. The most significant theoretical and practical challenge facing a socialist market economy is the necessity, possibility, correctness, and effective means of combining socialism with the market economy (mainly public ownership and the market economy).

6. Faced with various phenomena of "market failure," we must both leverage the effectiveness and superiority of the market in allocating resources and overcome the problems of "market failure" caused by spontaneity, blindness, and ex-post nature.

7. Faced with situations where the government is still interfering in areas it shouldn't, and failing to manage areas it should adequately, we must both better utilize the government's role in macro-control and overcoming "market failure," and prevent "government failure" caused by information limitations and vested interests.

8. Faced with a continuous economic downturn, insufficient adequate supply, excessive ineffective supply, insufficient effective demand, and a challenging task of stabilizing growth, how can we eliminate the "shortage economy" of the traditional planned economy, avoid the "oversupply economy" of the capitalist market economy, and develop the socialist market economy into a "balanced supply and demand economy," and what is the relationship between this and supply-side structural reform? (Xinhua, 2016).

9. Faced with the prominent reality of "three rural issues" (agriculture, rural areas, and farmers), how can we reform and innovate China's rural land system and agricultural management methods? When and how should we achieve the "second leap" in China's socialist agricultural reform and development, as proposed by Deng Xiaoping, fundamentally solving the "three rural issues"? 10. New Stage, New Normal, New Concepts, New Drivers, New Economy, New Industries, New Business Formats, New Business Models, and New Paths that China is currently facing.

Besides the aforementioned difficult issues, there are also questions such as: What should the initial scope and overarching theme of a socialist political economy with Chinese characteristics be? What are the fundamental contradictions and production goals in socialist societies with Chinese characteristics? How can socialist production goals be reconciled with the pursuit of maximizing market economic returns? How can the contradiction between the potential for exploitation and widening income inequality arising from factor-based distribution and the socialist essence's requirement to eliminate exploitation and polarization between the rich and the poor be reconciled? Does capital exist in a socialist market economy, and what are the similarities and differences between capital in a socialist market economy and that in a capitalist market economy? Is labor power a commodity in a socialist market economy? How should this be understood? Does China's primary stage of socialism possess the dual economic characteristics and operating laws of a socialist market economy based on public ownership and a capitalist market economy based on private ownership? Why is a socialist economy with Chinese characteristics not entirely the same as the economy of scientific socialism envisioned by Marx and Engels, and how should this be correctly understood? And so on.

The immaturity and imperfection of the social-

ist political economy with Chinese characteristics stem from two main reasons. First, there are limitations imposed by practice. Thus, mature theories must adapt to mature practices. Since socialism with Chinese characteristics is still under construction and socialist modernization has not yet been achieved, many practical problems remain unresolved or only partially addressed, requiring continued exploration in practice. Therefore, a complete and mature socialist political economy with Chinese characteristics has not yet been formed; it may only mature and be perfected when China's socialist modernization is realized. Second, there are shortcomings in existing research. Research on a socialist political economy with Chinese characteristics is not comprehensive or in-depth, and there are instances in which theory lags behind practice. Furthermore, many difficult problems exist in the reform and development of socialism with Chinese characteristics, and new problems have emerged. Some of these issues cannot be scientifically answered or explained in theory, nor can reasonable, practical, and operable solutions be proposed.

Theory is a summary and a guide for practice. Practitioners without theoretical guidance were blinded. Therefore, the main task for the future development of a socialist political economy with Chinese characteristics is to conduct comprehensive and in-depth investigations and research; scientifically answer and effectively solve various existing problems, especially major and difficult ones; summarize and discover laws; enrich and improve content; construct a complete and systematic scientific theoretical system; and form a discourse power to better guide the sustained, efficient, and high-quality development of the socialist economy with Chinese characteristics and gradually move towards common prosperity. 🌸

*This article is a translation of the Introduction section on pages 1-24 of the Chinese book titled 《中国特色社会主义政治经济学重大疑难问题研究》 (Research on Major and Difficult Issues in Socialist Political Economy with Chinese Characteristics), written by Xinhua Jian in 2018. The abstract and keywords were provided by BRIQ.*

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# Foreign Powers' Interventions in Africa: A Critical Assessment




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## ABSTRACT

This study argues that many of Africa's contemporary structural problems stem from the enduring legacy of colonialism, which has profoundly shaped social structures, cultural values, and post-colonial development strategies. Colonial rule was characterized by violence, racial discrimination, land expropriation, resource exploitation, and the systematic denial of political rights and cultural autonomy to indigenous populations. These historical dynamics continue to influence state fragility and external dependency. The article is organized into three sections. The first examines the internal roots of foreign intervention by analyzing the impact of colonial legacies on post-colonial state crises. The second conceptualizes Africa as a major arena of global power competition, emphasizing its role as a source of raw materials and a site of proxy conflicts. The final section discusses strategic and institutional measures African states can adopt to confront and manage external interference.

**Keywords:** Africa's development, colonial legacy, ethnic conflicts, foreign meddling, post-colonial state crisis.

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## Introduction

A JOURNAL EXCERPT STATES THAT "FOREIGN military intervention in Africa is controversial when it happens and occasionally controversial when it does not" (The New Humanitarian, 2017). This is perhaps one of the most striking paradoxes of African politics. It also illustrates the equation of the two faces of the same coin, leading to different interpretations of the use of foreign interventions and the stakes they aim to attain.

The objective of this study is to scrutinize the intervention of foreign powers in Africa. It focuses on military interference in internal conflicts such as those in Libya and the Democratic

Republic of Congo, in regions like the Horn of Africa and the Sahel-Sahara, and, consequently, on the participation of some African countries in efforts to fight terrorism, maritime piracy, and transnational crime. The main assumptions of this study reveal that geostrategic interests and the scramble for Africa's raw materials dictate the interventions of these foreign powers on the continent. The colonial legacy and the persistence of the causes of conflict and civil war, such as the lack of democracy, poor governance, and economic dependency that links the ruling elites of some African countries to these foreign powers, have made these intrusions into the African continent not only possible but also likely.

Foreign intervention usually refers to a state's military engagement in another state's territory. In a work entitled *Non-Intervention and International Order*, Vincent, R.J. defines military intervention as "the activity undertaken by a state, a group within a state, a group of states, or an international organization that interferes coercively in the domestic affairs of another political unit. It is a discrete event with a beginning and an end, aiming to shape the authority structure of the target state. It is not necessarily lawful or unlawful, but it does break a conventional pattern of international relations" (Vincent, 1974). In his definition of foreign intervention, the focus seems to lie on the military dimension, implying that military intervention targets a state's authority structure and may be carried out by actors ranging from states to local groups and organizations. This intervention may occur through violent means or through discreet measures that breach the rules of international relations. Therefore, he seems not to consider other non-military means used by foreign powers in their interventions outside their borders.

**The economic dependency of the colonies on the metropolis and the westernization of African ruling elites also reinforce the justification of foreign interventions.**

Foreign intervention also encompasses soft policies, such as meddling in states' domestic affairs and exerting pressure on ruling elites. The instruments they resort to may include conditioned aid, economic sanctions, deterrence, and the ma-

nipulation of opposition parties and civil associations. They also cover the use of disinformation and fake news, as well as cyber threats to devices. Moreover, foreign powers have resorted to the use of soft options to meddle in the domestic affairs of states by attempting to influence voting contests, encouraging the so-called rights of minorities, and presumably protecting religious pluralism and practices.

This study emphasizes the military dimension of foreign interventions because they fuel conflicts, prolong their duration, complicate their settlement, and cause more victims. Many of these conflicts found their explanation in the colonial legacy because of the divide-and-rule policy based on artificial delimitations of boundaries, discrimination between ethnic groups and tribes, and the promotion of cultural particularism. The economic dependency of the colonies on the metropolis and the westernization of African ruling elites also reinforce the justification of foreign interventions.

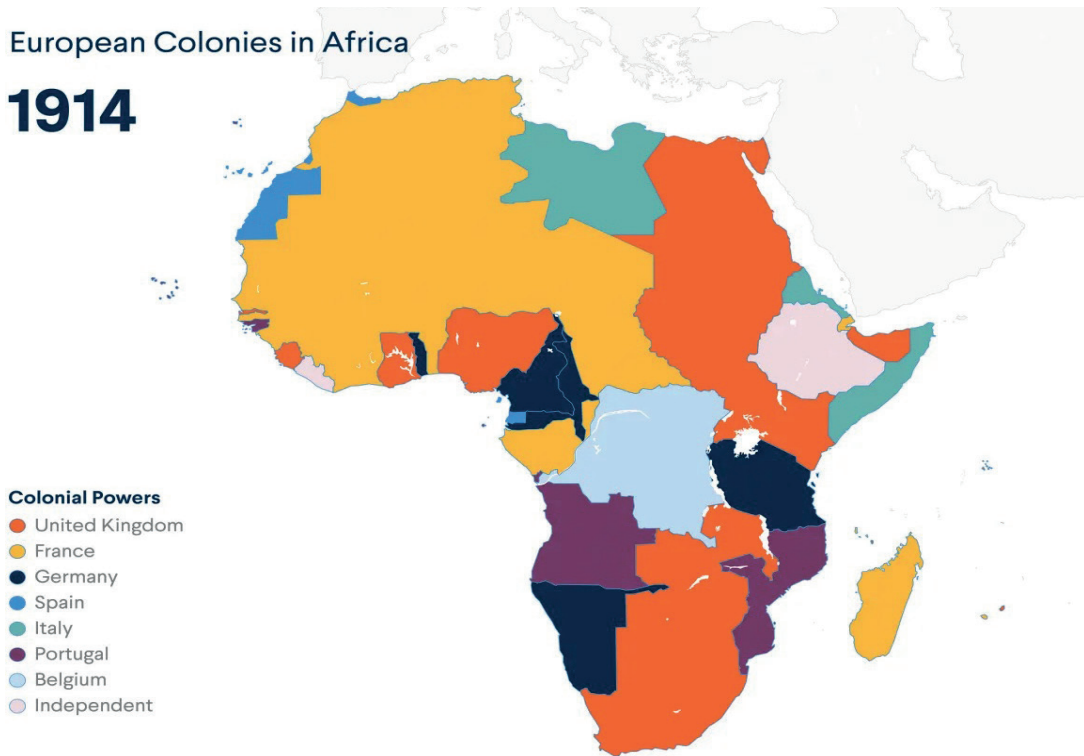
Delving into other aspects of foreign intervention may be overly detailed and exceed the scope of this study. Therefore, military forms of intervention constitute the crux of our subject and concern, particularly interference involving the use of military force, weapons, and equipment, whether directly or through proxy parties involved in conflicts. Military intervention may seem more silent and more impactful than meddling in the internal affairs of other states, which can be more subtle, intrusive, or unwarranted. This kind of interference, which foreign powers may resort to, relies on informal means, mainly through diplomatic channels, the imposition of puppet governments, the fomenting of unconstitutional regime changes and military coups, and the use of propaganda and economic pressure.

Geostrategic interests, economic benefits, and

cultural influence may explain the objectives pursued by the world's major powers in Africa through intervention or even meddling in other states' domestic affairs. In this perspective, Africa remains a scramble for power for these actors because of its geostrategic assets and mineral resources. However, such a conundrum was not possible without the collusion of some African ruling elites, who sought foreign allies to maintain their authority and privileges amid domestic opposition and popular discontent. The link between the colonial legacy and the maintenance of economic and cultural ties pursued by post-colonial ruling elites vis-à-vis the former colonial power becomes tangible because foreign interference has been nurtured by shared history, center-periphery

structural dependency, and cultural atavisms.

To scrutinize foreign interventions in Africa, this study relied heavily on the literature on the subject, drawing on the author's decades-long follow-up of African affairs and numerous research publications. These studies included the scramble for Africa (2024), the impact of the Ukraine-Russia conflict in Africa (2023), and the foreign entanglements in the conflicts in Libya (2022) and the Democratic Republic of Congo (2025). They are also concerned with specific cases explaining foreign powers' intrusions in the African continent, such as the United States (2021), Russia (2023), China (2024), Japan (2024), Türkiye (2025), the Gulf States (2025), and the competition in Africa between Russia and Ukraine (2025).



“The economic dependency of the colonies on the metropolis and the westernization of African ruling elites also reinforce the justification of foreign interventions” (Map: bigsiteofhistory.com, n. d.).

Elizabeth Schmidt completed two seminal works, *Foreign Intervention in Africa: From the Cold War to the War on Terror* (2013) and *Foreign Intervention in Africa after the Cold War: Sovereignty, Responsibility, and the War on Terror* (2018), which have marked a qualitative coverage of foreign intervention and dealt primarily with the African case. In these studies, she aptly scrutinized foreign interventions in Africa over a long period, from the decolonization period in the 1960s to 2017, through an exhaustive analysis of key examples using a qualitative research method. She found that endogenous factors inherent in inactive ruling elites, authoritarianism, and political corruption best explain foreign intervention in Africa. She also contended that foreign intervention proved harmful to African countries and tended to promote the interests of the outsider actors.

**The double standard used by world powers and international institutions, such as the United Nations, to justify foreign intervention for humanitarian purposes remains equivocal.**

An African political scientist found that the broad categorization of the period of the collapse of the State in Africa (1991-2001) was “somehow problematic because some African States, previously dubbed as autocratic, have succeeded in moving to forms of democratic government” (Kumah-Abiwu, 2014). However, this transition did not last long, as authoritarianism remains the dominant feature of the state in Africa.

To avoid dwelling on the justifications for foreign interventions in Africa, it may be sufficient to assert that foreign powers sought to secure economic and geostrategic assets in Africa to enhance their global status and influence. Recent studies have focused on cases to intervene for humanitarian reasons regarding the abuses committed by states against the so-called rights of minorities, mainly when they concern ethnic or religious demands. The evocations of these human concerns persisted to the point of erecting the ‘right to protect,’ or even the ‘responsibility to protect,’ as a cornerstone of international legality (Massingham, 2009). The principle to intervene to protect human rights is not questionable in terms of ethics and moral values. However, the double standard used by world powers and international institutions, such as the United Nations, to justify foreign intervention for humanitarian purposes remains equivocal. Dualism in the treatment of specific cases, such as Darfur, Libya, the Democratic Republic of Congo (DRC), and the Sahel region, is widespread. In parallel, the controversy over the legality of intervening for humanitarian purposes became acute with the disastrous failure of the US’s “Restore Hope” intervention conducted in Somalia in 1993 (Hirsch & Oakley, 1995).

Africa constitutes the continent that reached the highest rate of violent conflicts. It accounts for 47% of the total armed conflicts worldwide, with 15 conflicts, and for 42 socio-political crises out of 100 recorded worldwide in 2022. These conflicts resulted in more than 19,000 battle-related deaths in Africa from 1989 to 2021, of which 48% were the victims of the terrorist groups operating in the Sahel-Sahara (Global Terrorism Index, 2023).

Africa accounts for the most significant num-



Pretending also that the colonial predicament explains why foreign actors, especially former colonial powers, still interfere in the domestic affairs of many African countries may not provide a rationale for this assumption. Therefore, dwelling on this intricate controversy may not enlighten the postulate that Africa remains politically marginalized, economically underdeveloped, and subject to foreign interventions, despite its abundant natural resources, vibrant youth, and valuable geostrategic assets.

This study comprises three parts: the first scrutinizes the diverse endogenous causes of foreign interventions in Africa by analyzing the post-colonial state crisis, with a focus on the effects of the colonial legacy. The second part seeks to depict Africa as a scramble for foreign powers, as this continent has been the source of raw materials for these actors, the theatre of their proxy wars, and a pedestal for their world ambitions. The last part concerns the measures African countries should take to address foreign intervention and meddling in their domestic affairs.

### **The Post-Colonial State Crisis**

By the turn of the 20th century, the map of Africa looked like “a huge jigsaw puzzle, with most of the boundary lines having been drawn in a sort of game of give-and-take played in the foreign offices of the leading European powers” (Britannica, n.d.). Therefore, it has been a common jibe that colonial legacy explains, largely, the border conflicts opposing African countries because of the arbitrary configuration of this continent due to the interests of the colonial powers exclusively. Colonial atavisms also explain the resurgence of tribal conflicts that were encouraged during the colonial period based on the ‘divide and rule

policy’ through the exacerbation of religious and cultural affinities.

### **The Lingering Impact of the Colonial Legacy**

Territorial disputes sprang from the colonial legacy, as many of these conflicts, related to the arbitrary drawing of borders during colonial domination, occurred at the expense of African peoples and communities. The colonial divide resulted in the dispossession of African peoples of their land and natural resources and the denial of their languages and cultures. Furthermore, it led to the fragmentation of these peoples into distinct national units, in line with the geostrategic interests of the colonial powers. The case of the Tuareg is highly significant, as this nomadic people override five Sahel-Saharan states (Algeria, Libya, Niger, Mali, and Burkina Faso). The Tuareg have engaged in sporadic rebellions against the central authorities in Mali and Niger since the two countries’ independence from French colonial rule in 1960. The Peul people live in nearly 30 countries, some of which have experienced border disputes.

The impact of the arbitrary partition of Africa during the Western colonial period, which has become a ferment of territorial irredentism, persists across many regions of the African continent. An expert on African politics rightly argued, “Ethnic groups often span international boundaries, and transnational kin frequently participate in or provide support for insurgencies in other states” (Lacher, 2022).

Before Western colonialism, tribes in Africa warred mainly over water, land, and grazing, driven by divergent interests and life conditions that differentiated settlers from nomads and farmers from cattle breeders. These cleavages are primarily socio-economic, not antagonistic ethnic con-

figurations. Despite ethnic affiliations and tribal lineages, tribal groups shared quite similar racial stock and languages, such as the Peul, Bambara, Soninke, Hausa, and Swahili.

However, Western colonialism tended to exacerbate ethnic conflicts based on the divide-and-rule policy by privileging one ethnic group over other tribes (Ibo in Nigeria, Tutsi in Rwanda). It also contributed to forming the local army from elements of the same ethnic group to avoid strong national loyalties.

The post-colonial state in Africa reproduced tensions between tribes, which generally stemmed from socioeconomic factors. The result consisted of insurgencies, which occurred in many parts of Africa, such as the Lord's Resistance Army representing the fight of the Acholi people against the central authorities and other communities in Southern Uganda, the Tigre rebellion contesting both the Federal Government of Ethiopia and Er-

itrea, and the Movement for the Emancipation of the Niger Delta.

The state in some independent African countries also contributed to displacing the substance of the so-called ethnic conflicts from socio-economic divergences to racial and political dissonances. In this vein, the cases of the Ewe in South Sudan are highly illustrative of the evolution of the so-called ethnic conflicts in Africa. In many cases, several tribes and communities did not identify with the African post-colonial nation-state. They did not express loyalty to the ruling elites, which were often forged along Western colonial lines. The lack of strong links with the nation-state also explained the separation temptations that occurred in Katanga (Congo), Nigeria (Biafra), North Kivu (DRC), Senegal (Casamance), Cabo Delgado (Mozambique), Sudan (Darfur), Libya, and in the northern parts of the Sahel-Sahara region (Niger and Mali).



“The post-colonial state in Africa reproduced tensions between tribes, which generally stemmed from socioeconomic factors.” A view of people fleeing the clashes in Sudan migrating south in 2023 (Photo: CGTN, 2023).

### **Enduring Economic Dependency**

The economic model, imposed on Africa by colonial powers, did not aim to improve the socio-economic conditions of the natives. Instead, it intended to provide White settlers with privileges and rights at the expense of the great bulk of the indigenous population and serve the interests, comfort, and progress of the metropolis. In fact, colonialism aimed at the looting of African countries' natural resources and at maintaining local economies in a state of dependency, confining African countries to the role of providing raw materials to Western economies, without improving education or creating wealth in favor of African peoples.

Most African countries still rely on raw-material-based economies with weak capacity to transform raw materials into industrial products. The lack of manufacturing capacity prevented many African countries from conquering foreign markets and boosting trade and foreign earnings. The logic of the international economic system has confined Africa to the mere role of providing primary crude materials and limited its access to the manufacturing process. Indeed, 83% of African countries still rely on a single commodity as the primary source of foreign exchange earnings.

### **The Disturbing Effects of Bad Governance**

The following parameters underline the disastrous consequences of the bad management of public affairs and the misuse of the national resources by many African regions:

- *Excessive state centralism and the marginalization of the peripheral regions:* The post-colonial state has replicated the ancient policies of empowering the central administration at the expense

of local authorities represented by notables, religious chiefs, and tribal leaders, as colonial powers generally used oppressive means to advance their interests and strategies. Centrifugal regions benefited from socio-economic progress, while the peripheral zones, mainly occupied by other ethnic groups and minorities, were marginalized politically and economically, whether during the colonial period or after independence.

- *The land syndrome:* The mismanagement of land exploitation and its uneven distribution were the sources of conflicts over the scarce, productive land in Africa. These plagues did not fail to give a communitarian feature to the conflicts, as happened in the Sahel-Sahara region, with the risk of a wide-scale deflagration in a context marked by the overexploitation of the scarce humid zones by a concentrated population and successive periods of drought. The result was widespread famines, ill nourishment, pandemics, and the forced displacement of the population. In addition, violent armed conflicts erupted in the Sahel-Sahara region, the Horn of Africa, the Great Lakes, and Sudan. These zones are the poorest and most threatened by the world's most inefficient health care system.

- *The deficit of democracy:* Many African states have failed to promote good governance because of the lack of solid institutions, effective and transparent administrations, and the serious implementation of public policies and the control of their outcomes. Many African regimes lack accounting controls or transparency in the management of public resources. They continue to rely on patron-client networks, nepotism, and corruption, whether political or financial.

Authoritarianism, rigging of elections, the anti-constitutional extension of mandates, and military coups have all contributed to maintaining

political instability and the persistence of violent conflicts. Africa represents the continent where autocratic regimes are the most widely spread and where military coups have happened the most often in the world.

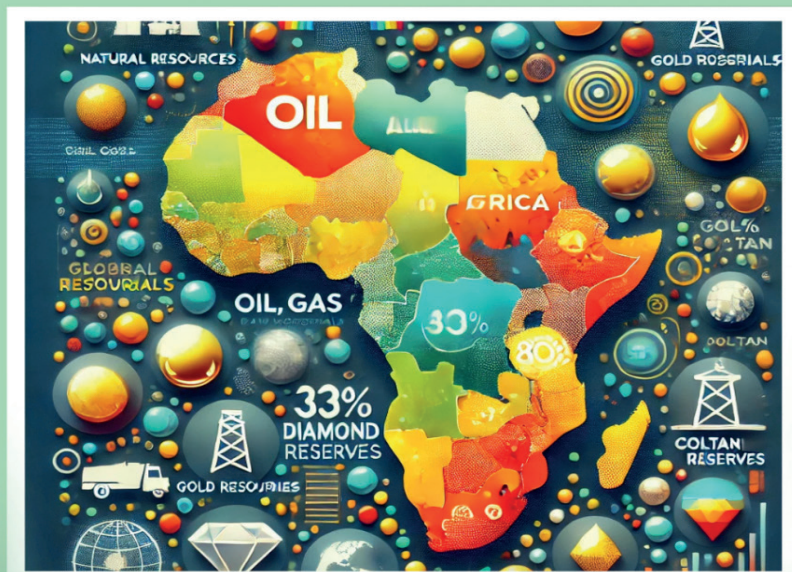
- *Autocratic regimes:* With the so-called post-war democratization wave, the US non-governmental Freedom House considered two-thirds of African states as 'free' or 'partly free' in 2009. A decade ago, two-thirds of African states were depicted as 'not free' or 'partly free' (Campbell & Quinn, 2021).

- *Long tenures:* There are significant examples as of December 2024: Teodoro Obiang, Equatorial Guinea (45 years); Paul Biya, Cameroon (42); Denis Sassou Nguesso, the Republic of Congo (39); Yoweri Museveni (38); Mswati III, the King of Eswatini (38); and Isaias Afwerki, Eritrea (31).

- *Unconstitutional changes:* when adding the

number of countries that have witnessed military coups to the list of those that have no limited presidential mandates, an expert on African military affairs found that 30 out of 54 African countries did not respect the principle of limiting the presidential tenure (Africa Center for Strategic Studies, 2023b).

- *Military coups:* Among 486 military coups or attempted coups that have occurred in the world in the 1950-2014 period, 47% took place in Africa. Moreover, among the 242 successful military coups recorded worldwide during the same period, 106 have occurred in Africa. There have been nine successful military coups on the continent since 2020 (Vine, 2024). It may be worth mentioning, also, that the year 2023 alone has recorded seven cases where political regimes were toppled over by military forces, a matter that powerfully highlights this uptick in coups on the African continent.



"Most African countries still rely on raw-material-based economies with weak capacity to transform raw materials into industrial products" (Illustration: AESC, 2024).

- *Dodgy elections*: In many cases, African leaders have remained in power despite violent contests of elections (Madagascar), rigging the elections (Zimbabwe), arresting opposition leaders such as Kefa Niloisi in Burundi, or seeking the assistance of foreign private groups to secure the victory in the presidential contest (Central African leader Faustin-Archange Touadéra).

Elections constitute a puzzling dilemma in Africa. Autocratic regimes use them as a cosmetic show-off. When these regimes risk not winning these contests, they resort to fraud through the manipulation of administrative procedures, use pressure on the pseudo-independent commissions that pretend to monitor elections, and even intimidate opposition contenders. Similarly, opposition parties, when they lose even fair and transparent elections, also resort to street demonstrations and violence.

### **Africa in the Scramble for Foreign Powers**

The expansion of the capitalist mode of production and the rising needs of the manufacturing sector in the Western world explained colonial expeditions and the implantation of foreign settlers in Africa at the beginning of the 19<sup>th</sup> century, when Western powers occupied the coastal areas through violence and repression. The Berlin Congress, held in 1885, haggled over geometric boundaries within the continent, disregarding the cultural and linguistic boundaries already established by the indigenous African population.

After the political emancipation of the African people in the 1960s, Africa remained, mainly, a scramble for its fertile land, energy assets, and mineral deposits, which are badly needed by foreign powers to ensure food self-sufficiency, expand their new technologies, and advance their world status and hegemonic ambitions.

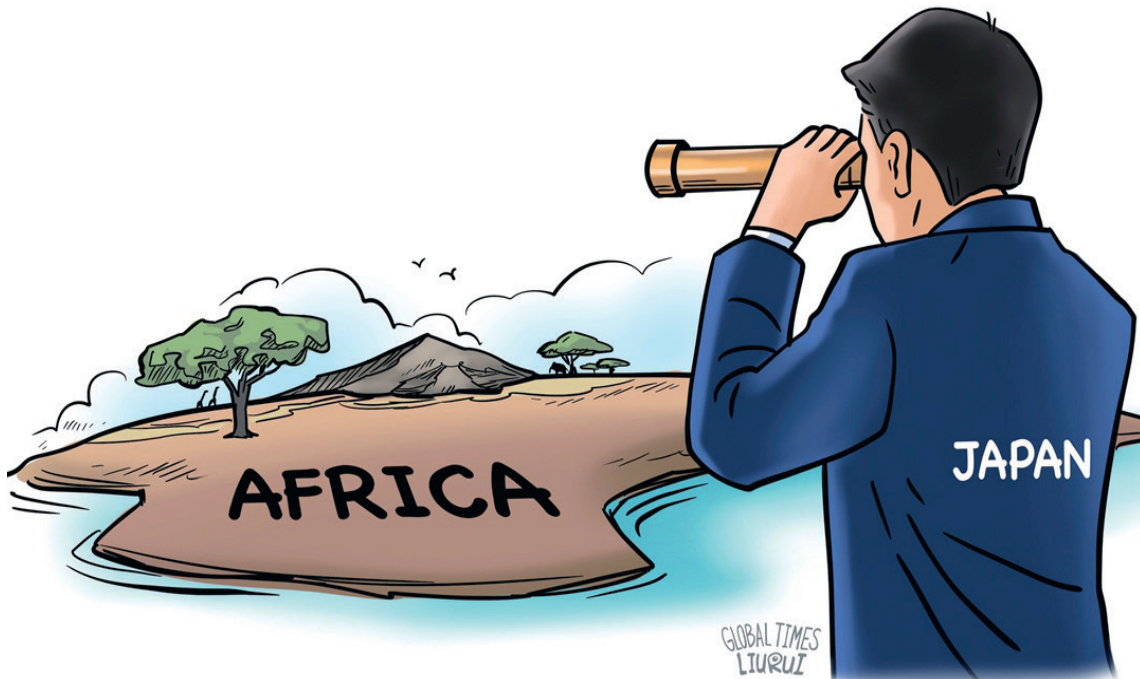
### **The Quest for Raw Materials**

Africa boasts substantial oil and gas reserves, as well as massive mineral deposits, including hard rock minerals (iron ore, phosphate, uranium, copper, and coal) and precious metals (diamonds and gold). Moreover, it contains abundant rare minerals, mainly lithium, cobalt, and nickel, which are needed for batteries and electrification technologies.

Such wealth explains the rush of China and India, which lack some mineral resources, mainly those needed for digital and innovative technologies. This sector has become the driving force of global development for these world giants. Japan also joined the rush because it is the only foreign power involved in Africa to import nearly 100% of its raw materials and to remain doomed to search for critical mineral deposits or energy reserves so badly required by its ever-booming industry (Iratni, 2024). Such commodities are essential for Japan to maintain its leading position in the automotive industry (particularly hybrid cars) and the electrical appliances industry.

Other prominent foreign actors, such as Russia, are also wooing Africa's raw materials, though they are in remote regions where extraction is complex and costly. Russian-owned companies, RT Global Resources and the Renova Group, are exploiting mining deposits across Africa, including manganese (South Africa), platinum (Zimbabwe), diamonds (Angola), bauxite (Guinea), and uranium (Namibia).

In the DRC, Japan has committed to investing \$1 billion to explore for rare minerals in a country rich in cobalt, lithium, and copper. JOGMEC has invested in several exploration joint ventures in South Africa, particularly in nickel and the platinum group metals, and a rare-earth joint venture in Malawi (Najah, 2024).



“Japan is the only foreign power involved in Africa to import nearly 100% of its raw materials and to remain doomed to search for critical mineral deposits or energy reserves so badly required by its ever-booming industry”  
(Illustration: Global Times, 2025).

As decarbonization becomes urgent, the demand for critical minerals will spur Western powers' investments in the African mining sector. For instance, the U.S. International Development Finance Corporation (DFC) considered investing money in Namibia's lithium mining industries. (Yade & Tyrell, 2022).

African oil and gas did not represent a significant supply for major powers such as China, India, or Japan because of the limited energy reserves of African countries and their remote location relative to Russia or the Middle East. Moreover, China and Japan began searching for alternative energy sources as the war in Ukraine dramatically reshaped the global energy map.

To phase out Russian oil imports, Japan is turning

old LNG tankers into floating offshore LNG production bases near the coast of Mozambique, a promising gas-producing country. China increased its energy imports from Russia, and consequently, its share in African energy sales declined from 25% to 15%. However, to ensure oil flows from Africa, Beijing continued its investments in the hydrocarbon sector there. It took a majority stake in a project to drill for oil off West Africa's Guinea-Bissau, some shares in the Rovuma LNG project in Mozambique, and started building a 1,980 km pipeline from the Agadem oil field in Niger to the port of Seme in Benin. Sinopec Overseas Oil and Gas Company Limited struck a \$490 million deal with the Algerian national oil company, Sonatrach, in May 2022 to explore in the Saharan Zazaitine region (FOCAC, 2022).

Russian oil companies are active in Africa by investing substantial sums in the hydrocarbons sector in Algeria, Egypt, Uganda, and Angola, and by conducting offshore gas exploration off the coast of Mozambique (Cayley, 2021).

### **Large-Scale Land Acquisitions and ‘Grabbing’**

An African Union statement released in January 2023 asserted that the African continent has 60% of the world’s arable land and that agriculture provides livelihoods for 70% of the population. However, the continent generates only 10% of global agricultural output (AU, n. d.).

Some major powers sought land concessions to increase their capacity to process agricultural products, achieve food self-sufficiency, and make profits. These powers exercised a grab at the expense of economically poor African states. Over the past 20 years, foreign investors have acquired approximately 35 million hectares of land in Africa (Kayembe, 2023). Foreign investors have acquired several tens of millions of hectares of arable land in Africa, an area slightly larger than Côte d’Ivoire (Toulemonde, 2021). China invested \$1.11 billion in the agrarian sector of 35 African countries by the end of 2020 (MFA/PRC, 2021).

For some African countries, selling land to foreign investors may boost foreign earnings, acquire agricultural know-how, modernize the agrarian sector, and increase food production. However, in some cases, ‘grabbing’ land served the interests of foreign investors, as in the Gulf States (Cochrane, Amery, 2017). These countries invested substantial capital in African land to secure food sufficiency for their populations, due to the aridity of their soil and the difficulty of securing food supplies during the 2008-2010 crisis and the 2021 Russian-Ukrainian war. These investments targeted increased food production, with a particu-

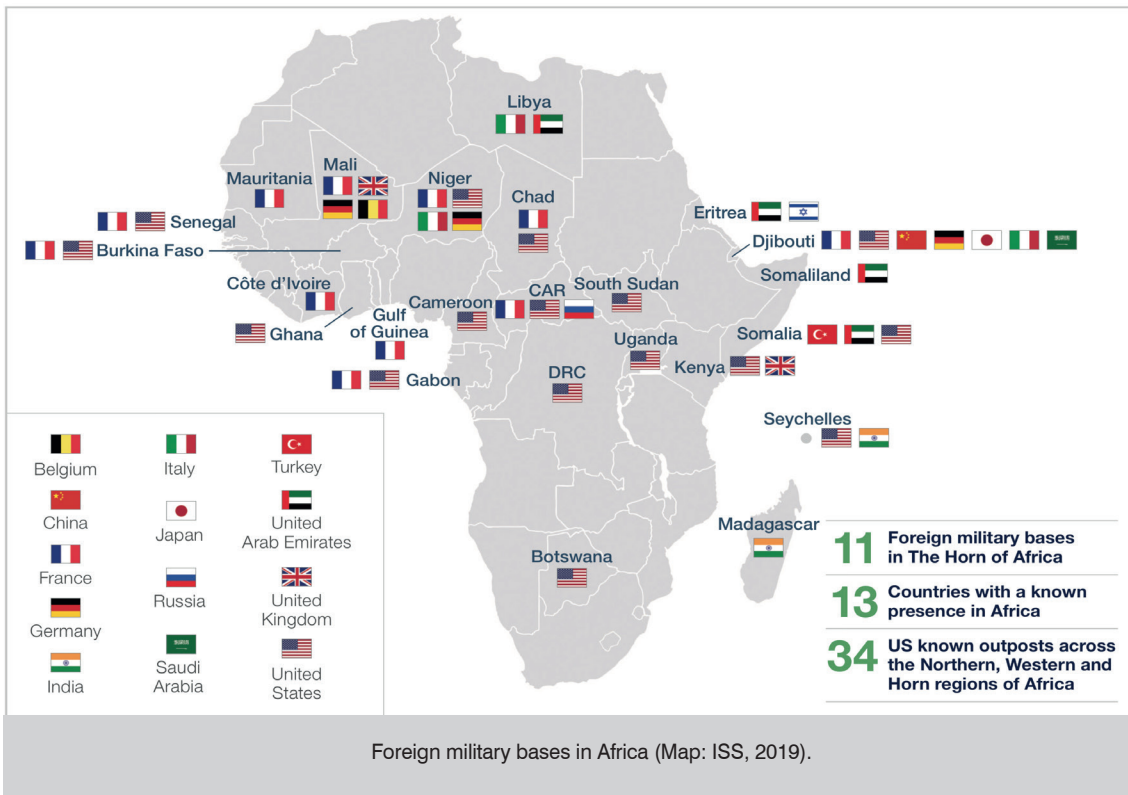
lar emphasis on staple crop and livestock production (Alade, 2025). In this case, what was supposed to be land grabbing generated, first and foremost, profits and advantages for foreign investors. The case of China appeared quite different, as the Asian power invested in African agriculture to secure its own food supplies in the framework of its ‘One Belt, One Road’ grand design. However, Beijing also contributed to modernizing Africa’s landscape, increasing the productivity of its transformation, and promoting the continent’s food exports. Therefore, it was argued that the Sino-African partnership promotes the development of a more diversified and sustainable agricultural sector in Africa (Kampini & Kalepa, 2024).

### **Geostrategic and Security Impediments**

The scramble over Africa went beyond the search for minerals and the exploitation of land, since major powers conceived their presence in this continent as a pedestal to enhance their international status and posture in the world’s balance of power through fierce competition. Their geostrategic worries regarding Africa concerned the conception of threats to their security believed to come from this continent because of terrorist attacks, illegal migration, and drug trafficking.

No wonder then that as many as fifteen foreign countries are militarily present in the African continent, and it is not surprising, either, to notice that tiny Djibouti, which lies on the Bab-el-Mandeb Strait, constitutes a gateway to the Suez Canal and one of the world’s busiest shipping lanes, and a waypoint between Africa, India, and the Middle East. Moreover, it hosts military bases and facilities for seven countries at the same time, and is the only place in the world to shelter Chinese and US bases at the same time.

France tried to maintain its long-lasting influence



over its former West African and Sahel-Saharan colonies and to protect its exploitation of uranium and other minerals in this region. France has a military base and a contingent of 1,500 soldiers in Djibouti, naval facilities at Port Bouët near Abidjan, and military bases in Chad and Gabon, from which anti-terrorist operations are conducted in the Sahel region and the Central African Republic. Nevertheless, successive regime changes in Mali, Niger, and Burkina Faso since 2023 have prompted French troops to withdraw from the Sahel. Japan maintains a contingent at Camp Lemonnier in Djibouti, while Türkiye has a military base in Somalia and a training facility for Somali troops within the framework of Camp Turksom (Daily Sabah, 2022).

The United States attempted to fight terrorism to prevent attacks on its embassies in the Sahel-Sahara

and the Horn of Africa and prevent the destabilization of its close African allies. It operates an expeditionary base with more than 3,000 troops in Djibouti, a naval base, and a Green Beret detachment in Kenya. It operates drone bases on Victoria Island in the Seychelles and in Nigeria to fight Boko Haram. Moreover, it has set up compounds for US commands in Somalia as well as PC-12 surveillance aircraft flying at Entebbe airport as part of the US Special Forces mission helping the Ugandan army combat a rebel movement called 'Lord's Resistance Army' (Segell, 2019). However, the rise to power of a military-backed regime in Niger in 2023 forced the US to withdraw from the country its military personnel and installations, the 'Predator' and 'Reaper' drone bases covering the Sahel region, the Lake Chad Basin, Somalia, and Yemen.

China has kept aloof from engaging in violent conflicts in Africa and has no direct military involvement on the continent, unlike the major Western powers. Beijing focuses, instead, on combating piracy in the Indian Ocean to protect the naval routes it uses to transport its manufactured products and energy supplies. China is reinforcing its military presence in the Indian Ocean and Africa by planning to build another naval base in Djibouti, courting Mozambique to host naval facilities, and constructing bases in Kenya and Tanzania to strengthen its presence further. Furthermore, it planned to install naval bases in Africa's Atlantic to protect its oil and commercial commodity supplies from African countries on the Atlantic coast, such as Angola, the DRC, Namibia, Nigeria, South Africa, and Equatorial Guinea, where it has upgraded port facilities.

**To justify their military interventions in Africa, major powers from the Western Hemisphere evoked the fallacious pretext that this continent faces insecurity and threats emanating from terrorism, civil wars, and tribal conflicts. In fact, the objectives behind this arms race are to fuel these conflicts, gain allies, and enhance the major powers' quest for international status and global ambitions.**

The Gulf States seem preoccupied with severing the junction between Al-Shabab terrorist groups operating in the Horn of Africa and the

rebel movements activating in the Arabian Peninsula and the Gulf of Aden. The United Arab Emirates has developed a deep-water port at Assab in Eritrea, serving as a hub for all operations in Yemen, including the naval blockade of the Red Sea ports of Mocha and Hodeida. It trains and equips Somalia's counterterrorism unit and the National Intelligence and Security Agency and has a 30-year lease on a naval and air base at the port of Berbera in Somaliland (Telci & Horoz, 2018).

Russia, Türkiye, and the United Arab Emirates are all militarily engaged in Libya and the Sahel-Sahara to support allied factions and gain access to energy and mineral deposits in these regions. Russia intervened directly in Libya in support of the forces backed by Marshall Khalifa Haftar's Libyan National Army, which contested the authority of the UN-recognized Government of the National Union (GNA) based in Tripoli. The UAE provides arms and financial assistance to the Benghazi-based authorities. In contrast, Türkiye came to the rescue of the GNA, on the latter's request, with troops and arms to secure its geostrategic interests, which consisted of gaining access to the Mediterranean exclusive economic zone and Libya's energy resources after signing with the GNA government in 2019 a MOU on the Delimitation of the Maritime Jurisdiction Areas in the Mediterranean. Ankara also signed an important trade agreement with Tripoli in August 2020, covering energy cooperation. Türkiye's concerns also include protecting naval routes in the Eastern Mediterranean Sea amid hostilities by some countries, notably Greece (Iratni, 2018).

Russia is heavily involved in supporting the new military-backed rulers to fight terrorism in Niger and Mali. Besides intervening militarily in several conflicts and using naval bases and facilities in Africa, the major powers entered a fierce



"Major powers from the Western Hemisphere have failed to eradicate terrorism or prevent conflicts in Africa"  
(Photo: Daily News Egypt, 2020).

competition to sell arms to Africa. Russia represents, by far, the largest exporter of arms to Africa from 2000 to 2019. Despite its entanglement in the grueling war in Ukraine, Russia overtook China as the top weapons supplier to Sub-Saharan Africa between 2018 and 2022, capturing 26% of the region's market share, up from 21% over the previous five years. In contrast, China's shares in arms sales to Africa fell from 29% to 18% between 2013 and 2022 (AFDB, 2022).

To justify their military interventions in Africa, major powers from the Western Hemisphere evoked the fallacious pretext that this continent faces insecurity and threats emanating from terrorism, civil wars, and tribal conflicts. In fact, the objectives behind this arms race are to fuel these conflicts, gain allies, and enhance the major powers' quest for international status and global am-

bitions.

Major powers have succeeded relatively in reducing these threats but failed to eradicate terrorism or prevent conflicts in Africa. Despite several military operations (French 'Barkhane' and 'Serval,' as well as US 'Flintlock' and 'Trans-Sahara Counter-Terrorism Initiative'), the effective presence of bases and contingents, as well as the channelling of military assistance to some African armies, neither France nor the United States has succeeded in extirpating terrorism from the Sahel-Sahara countries. Moreover, despite the US strikes on Yemen in October 2024, the Houthi rebel group continued to assert itself as the vanguard of Iran's 'axis of resistance,' a role left open by the death of Hassan Nasr Allah, the leader of Hezbollah in September 2024 (Revista de Prensa, 2024).

Terrorism has not disappeared from the Horn of Africa since Türkiye, the UAE, and Qatar seem to provide arms to belligerent parties. In Sudan, these countries are fuelling the violent rift between the military-backed regime of General Abdel Fattah al-Burhan and the rebel movement of the Rapid Support Forces (RSF) led by Mohamed Hamdan Dogolo, once an ally of the government Sudanese Armed Forces (SAF).

Interference by Major Powers did not take the form of military operations alone but also involved soft measures, such as meddling in the domestic political affairs of some African countries. This was the case of French policy to help close regimes in the Central African Republic (CAR), Gabon, Niger, and Côte d'Ivoire. The more recent examples consist of Russia's assistance to Sudan's President Omar El Bashir to curb a growing opposition to his regime, as well as its efforts to protect the regime of Faustin-Archange Touadéra, which faced a rebellion after the withdrawal of French troops from the Central African Republic. Wagner groups also landed in Mozambique to back the regime's fight against Islamic insurgents who sought to get control of Cabo Delgado, a Muslim-dominated, gas-rich province. In the absence of facts suggesting that Russia has sent operatives to influence the elections in favour of its allied regimes in Africa, the media have reported that Moscow is increasing efforts to influence elections in Africa. Its strategy focuses on shoring up authoritarian regimes in fragile countries like Guinea and unstable yet resource-rich States, such as Mozambique, Madagascar, and the RCA (Sauer, 2019). As Guinean President Alpha Condé was seeking an unconstitutional third term, Russian Ambassador Alexander Bregadze said on a Russian national television in 2019 that "rotating leaders was not necessarily a good thing," and that

"Constitutions are no dogma, Bible, or Quran...It is constitutions that adapt to reality, not reality to constitutions" (Reuters, 2019).

A political study revealed a link between Russia's support for African regimes, many of which are dubbed undemocratic, and the policies this country pursued at the United Nations Security Council, by wooing the Council's African members to vote in line with Moscow's political interests in Africa. Thus, Russia succeeded in blocking resolutions condemning unconstitutional changes of regime, with the support of these African countries (Africa Centre for Strategic Studies, 2024).

### **Empowering African Resilience**

Africa faces challenges across the triptych of good governance, security, and development. These three parameters seem distinctive yet intimately intertwined: a State can neither ensure security nor development in the absence of democracy and the rule of law, nor can it ensure any development in the absence of internal stability and political order.

### **The Democratic Impetus**

Africa is the continent with the most authoritarian regimes in the world. For several decades, Africa has been the host of despots, tribal rulers, military-backed regimes, or juntas seizing power, warlords turning into civilian presidents, unconstitutional changes, and election fraud. Many African regimes adopted policies based on patron-client relations, nepotism, widespread corruption, and the mismanagement of national economies.

The end of the Cold War brought a wave of de-



"By 2030, 75% of the African population will be under 35, and the number of young Africans aged 15-24 will reach 500 million in 2080" (Photo: The Sudan Times, 2024).

mocratization in Africa, especially in the former French colonies, but only for a short time, as autocratic atavisms remain deeply rooted. Democratization has made some progress in Africa. The prospects of countering autocratic regimes and advancing democracy may lie in Africa's youth potential.

This continent has the world's largest youth population. By 2030, 75% of the African population will be under 35, and the number of young Africans aged 15-24 will reach 500 million in 2080 (The World Bank, 2023). Although young Africans are diverse and violent in some cases, they may be change makers and peace activists, as it occurred in Egypt in 2011, when they pushed the autocratic President Hosni Mubarak out of power, and in 2019, when they contributed

to toppling the despotic regime of Omar Al Bashir 2019.

What Africa needs is strong civil societies. States come and go, political regimes rise and disappear, but strong societies remain the solid ferment of both the State and the Nation. It was political culture and societal values that made States perennial and Nations survive.

Active segments of civil society initiated vigorous actions to protest the maintenance of authoritarian rule in Africa. To fight corruption, civil society militants launched a campaign called 'Black Monday' in Uganda in 2012, for instance, which consisted of organizing a street protest every Monday against the theft of public funds. In Mali, political groups opposed the military leadership's decision to indefinitely postpone the presidential

election, which was supposed to restore civilian rule. In Guinea-Conakry, ‘Les Forces Vives de Guinée’, a coordination of civil organizations, denounced the emergence of a dictatorship following the September 2021 military coup. In Chad, segments of the civil society protested the decision taken by the central authorities to hold a referendum on the nature of the state, intended to maintain the old regime. In Senegal, the incumbent President Macky Sally expressed in February 2024 his willingness to hold a poll “as soon as possible” (BBC News, 2024), after the violent, widespread protests and verdict issued by the country’s Supreme Court to rule out the decision taken by the Senegalese President to postpone this election until January 2025.

### **The Security Dilemma: Imperative Self-Reliance vs. Foreign Intervention**

Many African rulers preferred to rely on military intervention or assistance from foreign powers, despite the setting up of African continental and regional collective security mechanisms, such as the African Union Peace and Security Architecture (APSA), the Multinational Task Force in the Lake Basin Chad, and the joint force of the G5 Sahel.

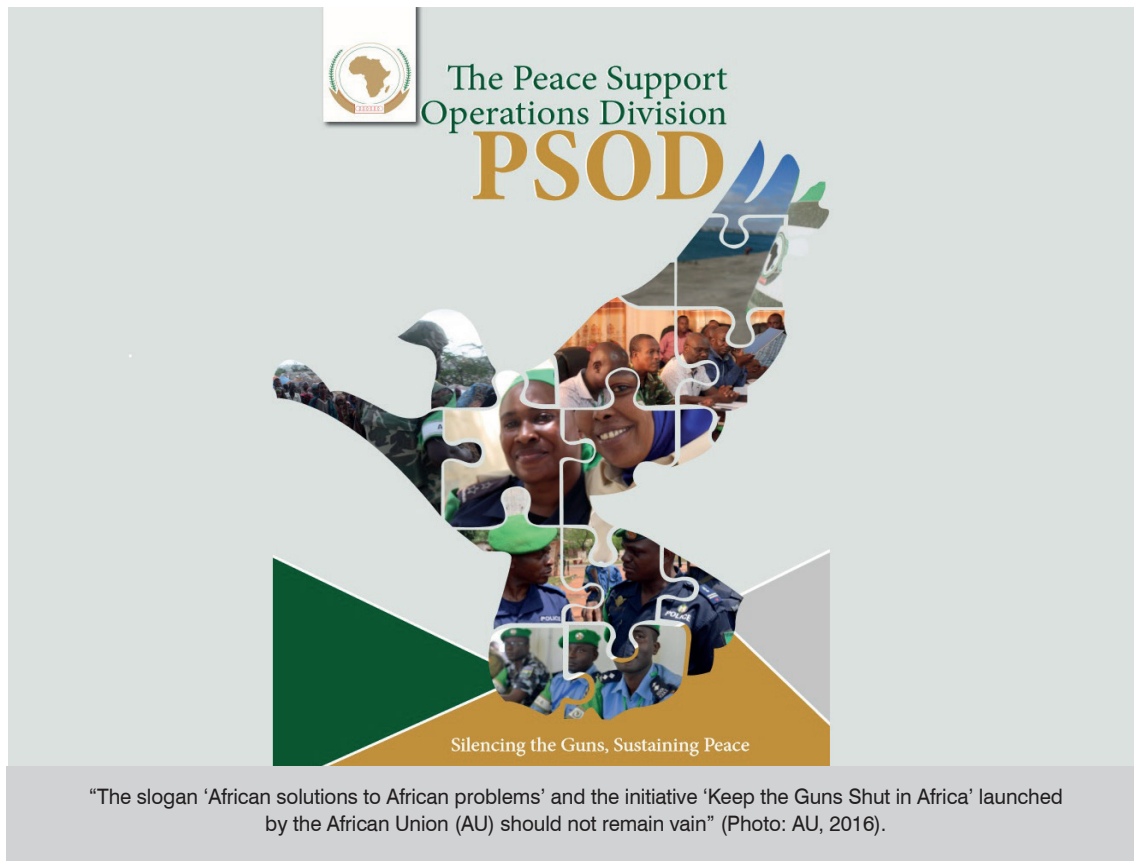
Such an eventuality of relying on foreign military assistance found concrete evidence through the calls made by Mali, Niger, and Burkina Faso on Russian Wagner groups to help them fight terrorism and replace the withdrawal of French troops from their territories. Russian Foreign Minister Sergey Lavrov declared in September 2021 that private Russian military contractors have a “legitimate” right to be in Mali because the transitional government of this country has invited these armed groups. However, he insist-

ed that the Russian government was not involved (Al-Jazeera, 2021). Moscow further reinforced its military involvement in Mali through the newly formed ‘Africa Corps’, following a pledge by Mali’s military leader during a June 2025 visit to Moscow (Toelgyes, 2025).

Under the impetus of the new military leaderships, these three Sahel-Saharan countries moved to establish G3 Sahel, a political and security forum, after withdrawing from the G5 Sahel, a security mechanism they had formed under French military auspices in 2015. Thus, Russia sought to hasten the weakening of France’s military presence in Central and West Africa and to fill the security vacuum left by France’s withdrawal from the Republic of Central Africa, Mali, Niger, and Burkina Faso.

Relying heavily on foreign powers for intervention or military assistance to ensure political stability and fight terrorism and affiliated smuggling networks proved ineffective in many cases in Africa. French and US military presence and military operations did not extirpate terrorism or organized crime from the Sahel-Sahara region. Equally, the United States and the Gulf States were not successful in eradicating the terrorist group of Shabab, nor in curbing acts of piracy in the Indian Ocean.

Such an example underscores the vulnerability of relying on foreign powers’ military interventions and assistance. It underscores the necessity for African countries to improve their peace-building capabilities, enhance their military might, and strengthen continental and regional security mechanisms. For instance, the Joint Operational Command of Chiefs of Staff (CEMOC), created by Algeria with Mali, Niger, and Mauritania in 2010 to coordinate efforts to fight terrorist groups in the Sahel-Sahara region,



proved necessary despite its relative limitations, mainly due to the weakness of the Sahel-Saharan armies.

To sum up, foreign interventions did not stop the spread of terrorist movements in the Sahel-Saharan, the Horn of Africa, and the Great Lakes region, as well as in Libya or Sudan. The French military operations carried out in the Sahel-Saharan from 2011 to 2022 did not eradicate the terrorist groups. Instead, the threats posed by these groups have extended to the entire Sahel-Saharan region and affected other countries, such as Benin and Togo.

The recourse to foreign intervention and military assistance should be a complement, not a substitute, for the African collective continental

and regional security mechanisms. The slogan 'African solutions to African problems' and the initiative 'Keep the Guns Shut in Africa' launched by the African Union (AU) should not remain vain.

African countries should regularly contribute to the AU and Regional Economic Communities (RECs) funds to support peacekeeping operations and deploy their contingents to tasks assigned to the African Standby Force (ASF), notably to help stop interstate conflicts and civil wars. The lack of will, absence of military capabilities, internal dissensions, and the meddling of foreign powers have impeded the projects of the Economic Community of West Africa to intervene in the crises faced by Mali, after the military coups and the

threats waged by terrorist groups and secessionist movements, which occurred in this country in 2011 and 2022.

The appropriation or ownership of security mechanisms and peace-building processes by African countries proved difficult amid foreign military intervention in local conflicts and meddling in internal affairs. It is worth recalling that France and Great Britain were able to undermine the Five-Countries mediation initiated by the African Union in 2011 to find a political solution to the crisis facing Libya. The efforts of French President Nicolas Sarkozy and British Prime Minister David Cameron resulted in paving the way to the military intervention of NATO, for ‘humanitarian as announced. In fact, their initiative did not prevent civil war or the de facto political fragmentation of Libya. Jean Ping, the AU’s Commission President at the time of the Libyan crisis, released a book in 2014 in which he castigated “the moral incoherence of the game of the world powers which invoke, increasingly, the concept of ‘humanitarian war.’” According to Jean Ping, the purpose of the two Western powers in Libya was to “save the lives of other countries by privileging the use of force at the expense of political negotiations, the sole tangible solutions in the long-term” (Abdou Hassan, 2004).

AU and RECs should continue implementing peacekeeping operations through empowering APSA and Regional security mechanisms. The Sahel-Sahara countries should join Algeria’s efforts within CEMOC, which aims to coordinate counterterrorism efforts across the region. The case of ECOWAS is particularly significant, as whenever this regional organization decides to impose sanctions on the member States that extend the presidential mandate illegally, and condemn unconstitutional changes, it quickly comes

under harsh criticism from the incriminated States. Some of these member States, such as Mali, Niger, and Burkina Faso, went so far as to push for withdrawal from this regional organization and to set up a small tripartite grouping in 2023, which looked fragile from the start.

AU should also implement its ‘Silencing the Gun Initiative’ (SGT), which was initiated in 2013, aimed, according to a United Nations organization, at “putting an end to all wars, conflicts, gender-based violence and preventing genocide in Africa by 2020” (UNDP, 2020).”

### **Sustainable Development**

Sustainable development has become the leitmotif of the African Union (AU) and the Regional Economic Communities (RECs), which aim to make Africa a world powerhouse rather than a mere source of raw materials for foreign actors or a pedestal for their geostrategic interests. Sustained Development (SD) refers to development that meets the needs of the present generation without compromising the needs of future generations, as defined by the Brundtland Commission (UN, 2007).

To ensure sustainable development, the AU initiated in 2001 the New Partnership for Africa’s Development (NEPAD), with its empirical testing instrument, the Peer Review Mechanism (APRM), to monitor, voluntarily, progress in the domains of good governance. AU has also proposed ‘Agenda 2063: The Africa we want’ initiative in 2015, through which it outlined a strategy for the continent’s development and regional integration to be achieved over the next 50 years, with the active participation of the RECs.

At the regional level, many RECs have, to some extent, succeeded in fostering sufficiency, spur-



ring inter-State economic cooperation, and establishing a free trade zone and a Customs Union by progressively eliminating barriers to full integration and harmonizing the policies of integration programmes. Moussa Faki Mahamat, the AU Commission Chairperson, declared in 2021:” while the pace of regional integration has been generally slow in some RECs, significant progress has been made in various thematic areas, such as the free movement of persons, customs unions, non-tariff barriers, and regional infrastructure” (AU, 2022).


The process of integration at the continental

level became tangible with the birth in April 2019 of the African Continental Free Area (AfCFTA), “one of the flagship projects of ‘Agenda 2063: The Africa We Want’. This economic grouping, which brings together a population of about 1.3 billion people and a combined GDP of approximately \$3.4 trillion, will focus on innovative technologies and promote investment. According to the World Bank’s projections, AfCFTA will lift 30 million Africans out of extreme poverty, boost the incomes of 68 million other Africans, and increase the continent’s revenue by \$450 billion by 2035 (The World Bank, 2020).

## Conclusion

Foreign interventions in Africa found fertile ground in the colonial legacy and the policies pursued by post-colonial states, resulting in political decay and economic failure in many cases. They also occurred because of the collusion between the geostrategic interests of foreign powers and the intrinsic interests of the ruling elites in many African countries. Foreign powers' intervention and meddling in Africa will persist as long as conflicts and civil war continue to plague African security and stability. These conflicts and wars continue to occur as long as political regimes and autonomous social forces do not extirpate the root causes of these conflicts in Africa. It is the responsibility of the States and of civil society in Africa to make intensive and sustained efforts to ensure democracy and the rule of law, and to combat bad governance, corruption, and the mismanagement of national economies.

There is an imperative need to unleash autonomous civil society in Africa through political gatherings, associations, and gender activism. The youth have a historic responsibility to participate in nation-state building through democratic rallies and to engage in economic projects that create wealth, reduce unemployment, and modernize their countries' economies. Through innovative projects in the start-up landscape and among small and medium-sized companies, youth, and especially women, can foster an entrepreneurial mindset and invigorate a modernist spirit and societal values for the common good, grounded in solidarity and shared prosperity. Such vigorous social forces may constitute the impetus for social renewal and a project of society that aligns with the world's economic progress and promotes political participation and human rights.

Africa has the necessary economic resources, geostrategic assets, and a human potential characterized by a vast, active, and genius youth to turn into a powerhouse, compete with the world's major actors, and not remain the source of raw materials, the stage for proxy wars, and a passive subject in international affairs. 

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# The Domestic Political Logic of International Development Cooperation: The Politicization of the BRI in Southeast Asia



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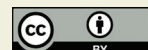
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## ABSTRACT

This paper investigates the domestic political underpinnings of the Belt and Road Initiative (BRI) within the Association of Southeast Asian Nations (ASEAN), arguing that domestic dynamics are crucial to the implementation and outcomes of international development cooperation, particularly the BRI's politicization. The study explores the increasing risks associated with the BRI in ASEAN, identifying openness of the public policy process, domestic political divisions, and external power dynamics as key drivers of politicization. Previous studies tend to focus solely on the results of country-to-country projects, while partially ignoring the domestic dynamics of the countries targeted by the projects. Indeed, donors are usually more sensitive to aid projects than recipients, leading them to ignore the projects' environments when negotiating policy priorities. A theoretical framework is developed to define politicization, distinguishing between issue continuation, instrumental politicization, and ideological politicization. A mechanism involving contact, differentiation, mobilization, and solidification is proposed to explain how international development cooperation integrates into domestic political contexts. The "impossible trinity of development cooperation" is introduced as a framework for understanding the challenges of international development cooperation in the Global South.

**Keywords:** ASEAN, Belt and Road Initiative, Global South, international development cooperation, politicization.

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## Introduction

THE BELT AND ROAD INITIATIVE (BRI) faces escalating global risks, particularly in ASEAN. These risks stem from: (1) domestic electoral cycles and political competition, (2) domestic political contestation over issues like corruption, and (3) external major powers' competitive strategies. This underscores the BRI's politicization.

Despite ASEAN's achievements, the region faces uncertainties stemming from internal factors,

which are impacting project implementation and international cooperation. This politicization often reflects the political objectives of domestic actors.

For example, Malaysia's stance on the BRI shifted around the 2018 election, and key projects in the Philippines and Indonesia also faced political resistance. These cases demonstrate the widespread impact of domestic political risks on the BRI. This raises questions about how the BRI becomes politicized and why interference from domestic politics varies.

This politicization worsens the environment for modernization in countries of the “Global South”. International development cooperation, a post-World War II diplomatic practice (Morgenthau, 1962), has been politically motivated (Lancaster, 2007). It has become a pathway for security, development, and modernization (Breuning, 2002).

**It is also evident that, even without such political conditions, recipient countries cannot use external aid entirely at their own discretion. Donor nations retain the right to demand transparency regarding the use of aid funds and to require the adoption of credible utilization methods to prevent misuse of such resources.**

However, the political nature of major powers’ international development cooperation enters the domestic politics of target countries, leading to politicization. (Indeed, foreign assistance is usually included in development cooperation between donors and recipients. On the one hand, foreign assistance inherently implies an unequal relationship between developed donors and underdeveloped recipients. Development cooperation, on the other hand, reflects a shift in aid philosophy that should respect the recipient country’s own conditions and development needs. In this paradox, the occurrence of political effects cannot be equated with simple spillover effects but involves complex interactive mechanisms.) This differs

from a simple impact, instead involving complex interactions. Underdeveloped regions’ modernization demands have led to three political consequences: (1) rapid party politics development, (2) increased public participation, and (3) fragile political institutions (Roessler, 2016). Therefore, external development cooperation faces amplified politicization and risks. This paper seeks to address the factors and mechanisms behind these differences.

### Theoretical Framework

#### Politicization of International Development Cooperation in Target Countries: Conceptual Definition

Politicization refers to the process of imbuing a non-political issue with political significance. Based on this, the domestic politicization of transnational development and diplomatic matters refers to the process of assigning domestic political meaning to an issue that originally belongs to the transnational sphere. This study argues that the realization of domestic politicization requires specific background conditions. First, the problem must have a direct connection to domestic politics, making it potentially political. For example, the inconsistent use of political conditionalities by some donors, who require high political conditionalities for the provision of aid to specific recipients but do not require political conditionalities for some recipients who provide a lot of aid, may, to a certain extent, lead to a crisis of confidence in the political conditionalities of assistance provided by other countries to the donor countries (Mold & Zimmermann, 2008); second, it often manifests as a goal-driven or event-driven



characteristic, caused by the actions of domestic political actors based on political goals or political demands, which is the result of the actor's behavior. More concretely, this is manifested explicitly in how the political conditions attached to foreign aid inevitably undermine the accountability structures of recipient countries' local governments. It is also evident that, even without such political conditions, recipient countries cannot use external aid entirely at their own discretion. Donor nations retain the right to demand transparency regarding the use of aid funds and to require the adoption of credible utilization methods to prevent misuse of such resources. Taken together, international development cooperation led by major powers is highly susceptible to politicization in target countries. This is because

its goals and practices inevitably embed external technologies, ideas, and influence into recipients' domestic affairs, thereby creating political implications beyond mere material interest linkages. Moreover, such cooperation often intersects with sensitive areas of domestic governance—such as national development strategies, planning priorities, and foreign policy design—making it particularly easy for domestic political actors to frame it as politically consequential. In practice, politicization may be driven either by incumbents seeking to claim credit and gain political prestige or by challengers who mobilize controversy to contest authority and pursue the redistribution of power and interests. Therefore, the core driving force of this mechanism lies in the absolute need to mobilize the domestic public for political purposes.

This study argues that most international development cooperation will be politically exploited by domestic actors in target countries, but the degree of its politicization varies across different projects and countries. This is reflected in three types of politicization with distinct characteristics, and there is a clear progressive relationship among them. First is Issue continuation. This type of politicization manifests as international development cooperation entering the target country and deepening (rather than creating new) existing domestic political issues, thus creating a specific connection with old domestic political problems. The second is instrumental politicization. This mainly manifests as integrating into the power competition of domestic politics (especially party-political competition, ethnic groups, and central-local competition), thus using development cooperation as a tool for domestic politics; the third is ideological politicization. In this type of politicization, international development cooperation is deeply embedded in the recipient's domestic political agenda and becomes part of the domestic political ideological competition. Specifically:

**The implementation and execution of international development cooperation projects connect with domestic political problems, such as tensions between central and local governments, ethnic issues, and environmental governance issues in the target country, which can trigger social resonance and lead to social differentiation.**

**Issue Continuation:** In this type, development cooperation connects with specific domes-

tic political issues, deepening their complexity and intensity and promoting domestic political differentiation. In particular, the implementation and execution of international development cooperation projects connect with domestic political problems, such as tensions between central and local governments, ethnic issues, and environmental governance issues in the target country, which can trigger social resonance and lead to social differentiation. International development cooperation may exacerbate social system differentiation. Such examples are not uncommon. During Myanmar's political transition following military rule, numerous Western donors and intergovernmental organizations entered the country in search of opportunities. While this led to increased support for civil society, international NGOs remained more influential than local actors. However, after hate speech and violence targeting Muslim communities intensified, aid began to become politicized once again. Consequently, foreign agencies in Rakhine State have been accused of prioritising Muslim recipients, and some of them have been expelled as a result. In addition, the International Criminal Court (ICC), along with the International Court of Justice (ICJ), initiated a case against Myanmar following the escalation of violence against the Rohingya. Moreover, Aung San Suu Kyi, a human rights icon, defended the military's role in it, causing great surprise and indignation among Western observers. In this context, the selective international focus on Myanmar has led to 'competing victimisation' among different ethnic groups. Overall, in conflict situations, the distribution of aid resources actually makes ethnic, religious, and geographical divisions more pronounced by providing incentives to differentiate between 'my group' and 'the other group' (Matelski, 2023).



**Instrumental Politicization:** Domestic actors integrate development cooperation into domestic political competition through specific goals, especially in the context of elections, legislation, and other domestic political activities, to achieve instrumental politicization. This mainly manifests in the exercise and competition for domestic political power, and it is typical of leaders’ activities, parliamentary elections, the formulation and revision of laws, and other activities related to the distribution of political interests. Domestic political actors actively combine international development cooperation with domestic political issues and demonstrate their legitimacy or weaken the legitimacy of competitors (or political proposals) to gain political mobilization advantages. Unlike issue continuation, in instrumental politicization,

the issue connection reflects more artificial characteristics and is deliberately used for political competition. Take the example of aid projects to Zambia and their relationship to elective electoral politics. Aid is no longer based on poverty or need but is embedded in electoral logic. Aid Development cooperation becomes a tool for preserving or securing votes, with the Government and donor agencies targeting projects to politically sensitive areas. When it is difficult for the regime to clearly identify voters’ preferences in each constituency, it prefers to allocate aid projects to constituencies with high opposition support, or so-called ‘swing’ constituencies. This logic means that aid does not neutrally serve the ‘most vulnerable’ groups but instead has a specific ‘electoral strategy’ dimension (Masaki, 2018).

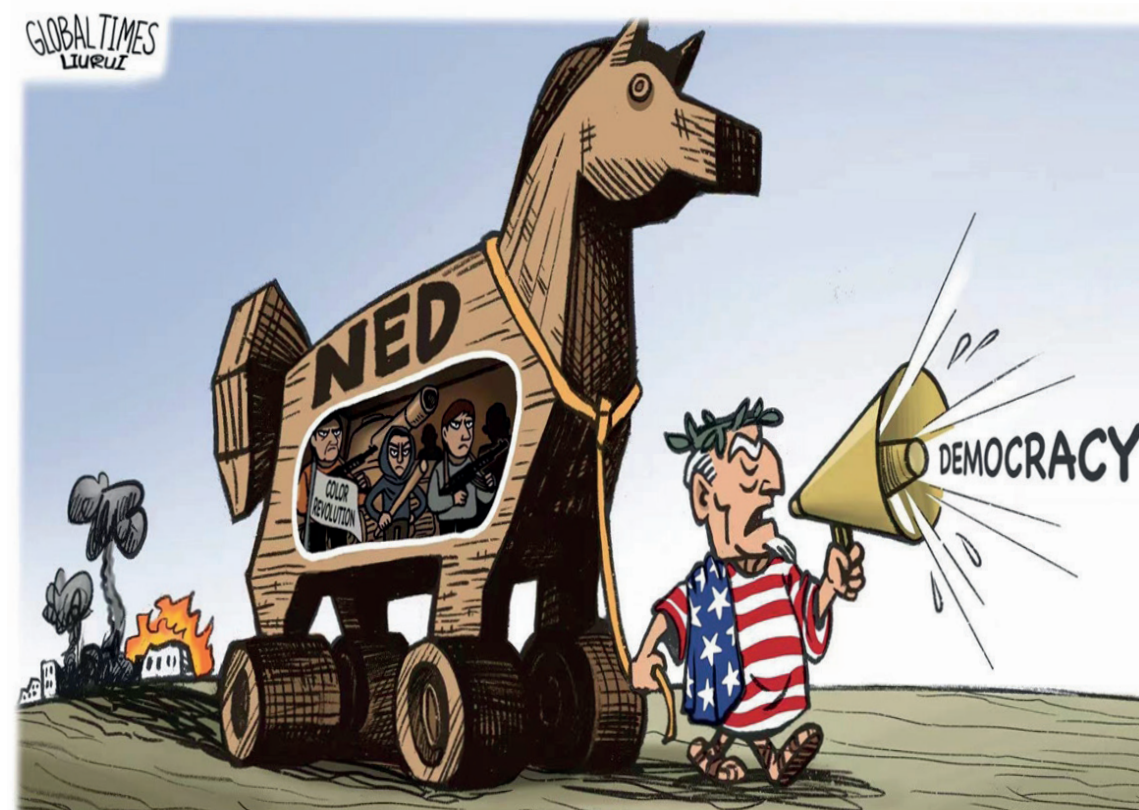
**Ideological Politicization:** Development cooperation that achieves ideological politicization in the target country's domestic politics becomes part of the domestic political ideological competition. Domestic political ideology has a dualistic characteristic, which is outwardly manifested in labelling a particular issue, hostile attribution, and panic mobilization. Under populist conditions, it may also have considerable extremism. When the domestic politicization of international development cooperation shifts from instrumental to ideological, it involves more complex conceptual games and more profound domestic political contradictions. It uses a simplified cognitive process to mobilize and stimulate the audience's group identity, thus leading to the irreconcilability of opposition, which often reflects the strategies and intentions of populist leaders. More importantly, when this domestic politicization reaches the stage of ideological politicization, its impact is usually tricky for the actors to limit and becomes uncontrollable. From the 1960s to the 1980s, U.S. initiatives for "democracy promotion" and anti-communist projects in Latin America, often channeled through agencies like USAID and NED, frequently aligned with Cold War geopolitical objectives. By funding political parties, civil society initiatives, and training programs, these efforts sought to cultivate forces aligned with U.S. or Western political narratives. Alternatively, in specific contexts, they supported authoritarian allies to uphold anti-communist order, thereby sowing ideological divisions within target countries (McCormick, 2017). Moreover, the Marshall Plan was viewed as a vehicle for disseminating American liberalism. Serving both as an economic reconstruction initiative and a tool for

propagating free-market principles, pro-American political orientations, and anti-communist ideology across Western Europe, the United States leveraged policy and technology transfers alongside political and economic reconstruction narratives to influence target nations' governance structures and ideological landscapes.

### **Mechanisms and Causal Explanatory Factors of the Politicization of International Development Cooperation in Target Countries**

A mechanism is a process that can cause or prevent (change or control) specific changes in the entire system or its subsystems (Bunge, 1999). The existence and function of the mechanism are objective and real, and concern for the mechanism has ontological significance, serving as a necessary step in causal explanation. Accordingly, this study intends to propose an intermediate mechanism for the politicization of international development cooperation in target countries to understand the process by which international development cooperation led by major powers is implanted into the domestic politics of target countries, thereby explaining the differences in the degree of domestic political interference in different countries and different projects.

This intermediate mechanism introduces the policy analysis structure of the neo-classical realism system: domestic politics, foreign policy decision-making, and international results. Meanwhile, it absorbs the research agenda of domestic interests and institutions, as well as the information structure of open economic politics (OEP). Specifically, the OEP adopts the assumptions of neoclassical economics and international trade



“From the 1960s to the 1980s, U.S. initiatives for ‘democracy promotion’ and anti-communist projects in Latin America, often channeled through agencies like USAID and NED, frequently aligned with Cold War geopolitical objectives” (Cartoon: Global Times, 2022).

theory while explicitly incorporating political variables into its analyses. Interests are the most fundamental element in the politics of the open economy, or how individuals or groups are affected by a policy. In this model, actors who benefit from a policy will use their political resources (through lobbying) to secure the policy until the marginal cost of their efforts equals the marginal benefit. On the contrary, actors who benefit from a policy to the detriment of others will lobby against it. (Grossman & Helpman, 1994) At the same time, the OEP also recognizes that the study of interests alone is insufficient, unlike

previous approaches to domestic interests. Despite its exhaustive account, interests can only be refracted and reflected through political institutions, which often have an independent influence on policy choices. In the OEP, institutions determine the currency used in the political ‘big market’ and the valuation of different political assets. Information structures can be viewed as a bargaining platform among nations. When domestic interests are institutionally integrated into national policy, states engage in bargaining to influence each other’s behavior and determine the aggregate outcome of their actions.

It partially draws on the decision-making model of domestic actors - international interaction of the two-tier game theory. This intermediate mechanism includes four main steps: contact, differentiation, mobilization, and solidification.

**The high degree of social differentiation of specific issues leads to the solidification of society's attitudes and understanding of international development cooperation, and may rise to ideological opposition (solidification), ultimately, this leads to a high degree of domestic politicization of international development cooperation, causing the target country to withdraw or shelve existing international development cooperation.**

The overall logic of its mechanism operation can be described as the following process: International development cooperation led by major powers enters the domestic politics of the target country and has a deep connection with domestic social and political issues (*contact*) → Domestic society begins to accumulate and exacerbate social differentiation on specific issues due to the deepening of international development cooperation, leading to a specific range of social resistance (*differentiation*) → Domestic political elites are involved in social differentiation, and at the same time try to use this social differentiation to carry

out political mobilization on specific issues (*mobilization*) → The high degree of social differentiation of specific issues leads to the solidification of society's attitudes and understanding of international development cooperation, and may rise to ideological opposition (*solidification*), ultimately, this leads to a high degree of domestic politicization of international development cooperation, causing the target country to withdraw or shelve existing international development cooperation.

The principal determinants of politicization are explicated below:

**Openness of Public Policy Process:** This study posits that the main driving force for domestic actors to activate the domestic politicization mechanism is the need for domestic political mobilization. Whether they have sufficient motivation to carry out and maintain this political mobilization depends more on the structure of domestic political participation, as reflected in the ability and willingness to participate (De Vries, Hobolt & Walter, 2021). In political systems with low openness in public policy, domestic actors often lack the motivation to manipulate development cooperation politically. They will not promote an increase in the degree and scope of politicization, usually remaining at the level of instrumental politicization or below. In political systems with greater openness in public policy, more actors participate in domestic political competition, and their opportunities for political mobilization have also increased significantly. Especially in the "Global South" countries, including ASEAN countries, the effectiveness of their political systems and the general state of democratic operation are more limited, coupled with the impact of populism and other extreme ideologies, leading to more intense, and possibly more disorderly



“The Marshall Plan was viewed as a vehicle for disseminating American liberalism.” From left to right, President Harry S Truman, General George Marshall, Paul Hoffman, and Averell Harriman in the Oval Office discussing the Marshall Plan, Nov. 29, 1948 (Photo: National WW2 Museum, 2022).

and irrational political mobilization (Kasuya & Tan, 2024). Domestic political participation plays a greater role in the elite social mobilization node of the core mechanism and in the elite issue differentiation node of the auxiliary mechanism, addressing the key motivational question of whether issues are used for political mobilization in the mechanism’s operation.

**Domestic Political Division:** Political division focuses on the degree of political centrifugal force, which is divided into two types: severe political division (significant contradictions between the central and local governments, ethnic conflicts), and insignificant political division (strong centralism, relatively unified ethnic groups and social classes). In countries with more severe polit-

ical divisions, development cooperation projects are more likely to be disrupted by competition between central and local governments and ethnic groups. Local governments or ethnic groups often seek greater compensation, investment, or infrastructure support by raising political costs. However, this game is more likely to be hyped by local and ethnic forces for political purposes, amid political hype and mass mobilization.

Localization is the core manifestation of political division, meaning that local politics influences and interferes with the public decision-making of the central government, whether through institutional or informal power. Political division is a key driver of the politicization of development cooperation projects.

**Competitive Behaviour of External Major Powers:** Whether an external major power views international development cooperation led by a central power as a manifestation of major-power geopolitical confrontation and takes competitive measures to address it can affect the driving force of the domestic politicization mechanism. This type of behaviour mainly includes three forms: First, proposing competitive development cooperation projects to directly compete and confront, thereby suppressing existing development cooperation projects led by other major powers, and winning over the domestic society of the target country; Second, using covert means and media advantages to create problems and advocate contradictions, thereby undermining the construction environment of existing development cooperation projects led by other major powers; Third, funding and supporting domestic political forces in the target country. These three forms demonstrate that domestic politics must also influence the competitive behaviour of external major powers.

### **Politicization of International Development Cooperation in Target Countries**

In the Global South, international development cooperation not only involves economic assistance and technical support but also inevitably engages recipient countries' internal political processes, shaping a "cooperation-confrontation" dynamic. From a comparative political perspective, Southeast Asian countries provide rich empirical support for understanding and verifying this structural tension. Development issues continue to plague the region, with unbalanced outcomes and differentiated characteristics across countries. In the countries most severely affected by develop-

ment issues, the superposition of structural conditions and situational stimuli has stimulated the political mechanism of ideologizing development cooperation, further exacerbating the complexity of collaboration. Some other countries have created more favourable conditions for absorbing external modernization factors by effectively controlling the politicization tendency of development cooperation.

**"Cooperation-Confrontation" Model and the Impossible Trinity of International Development Cooperation:** In the "Global South," the inefficiency and unsustainability of development cooperation are often rooted in the structural tension between domestic political mobilization. They are manifested at the cultural level as a gap in trust between their own strengths and external imports. This "cooperation-confrontation" model constitutes the structural dilemma of development cooperation. When this confrontational factor continues to accumulate and strengthen, development cooperation may be further ideologized and become part of domestic political struggles, thereby seriously weakening its effectiveness and sustainability. From the perspective of the mobilization structure, the politicization and ideologization of international development cooperation are mainly driven by the following three structural conditions: First, the democratic institutional structure provides the possibility for the division of domestic elites and provides the initial impetus for elites to create issues for political mobilization; Second, the localization of political division provides the interest basis and identity incentives for the division of regional and ethnic elites and broader masses, making the politicization of international development cooperation led by major powers more organized and radical; Finally, the intervention of great power



“Competition among great powers is affecting the internal dynamics of international development cooperation”  
(Photo: DGAP, 2022).

geopolitical competition will antagonize and label the development cooperation behavior led by another great power, thereby turning the dispute over development cooperation projects into an ideological disagreement.

Based on this, the theory of political opportunity structure provides a supplementary perspective for understanding the process of politicization of development cooperation, and the shocking events that provide and expand the political opportunity structure (social protests, election

changes, project accidents, violent conflicts, etc.) can be regarded as essential triggers for politicization. The theory of political opportunity structure is an important concept in the study of social resistance, which can be used to assess and explain the degree of openness of political participation, institutions, and power in the entire society (Tilly, 1978). The state of political opportunities depends on whether the structural factors in the political environment provide a favourable window for social movements and resistance politics.

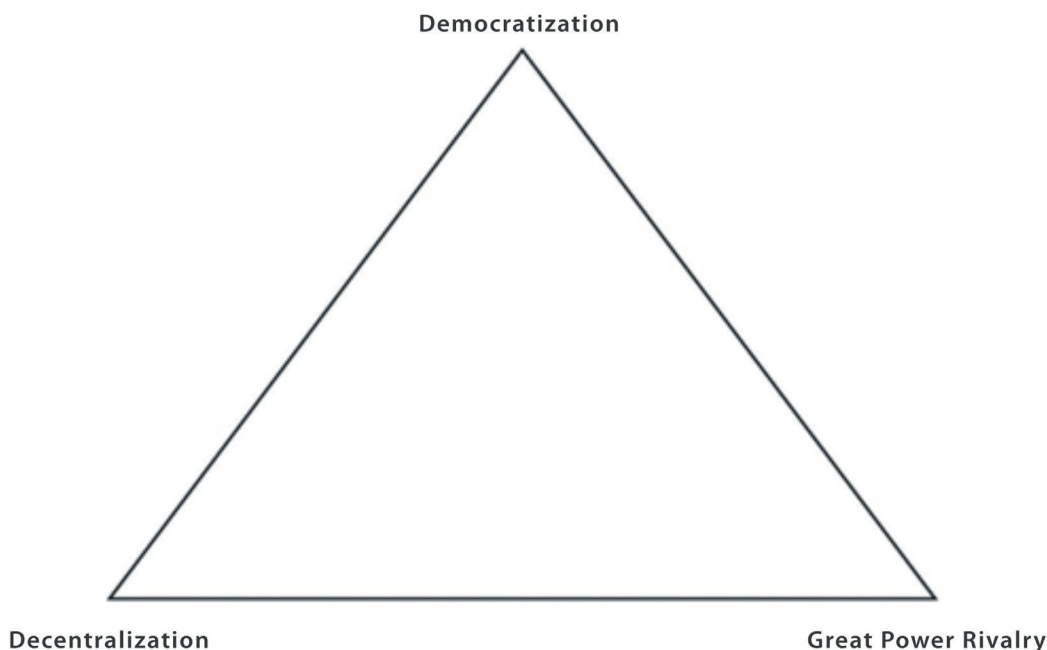
Moreover, political opportunities have situational characteristics, meaning that their expansion and compression will be affected by specific circumstances. This study argues that the politicization of development cooperation is situationally sensitive, and the analysis of political opportunities will focus on events that affect trust in development cooperation and induce conflicts between cooperation projects and domestic political emotions, which play an essential role in promoting the ideologization of development cooperation.

Based on the above analyses, this study proposes the following hypothesis: When the process of public policy-making is highly open and democratized, the political division presents obvious regional characteristics, and major powers are engaged in fierce geopolitical competition in the local area, the

process of international development cooperation is highly susceptible to being highly ideologized and tends to be divided, and stimulating events may exacerbate the intensity of this division, thereby seriously restricting the effectiveness and sustainability of cooperation, making external cooperation and assistance difficult to enter smoothly for a long time, thus forming the “impossible trinity of development cooperation”.

**Orderly Democracy and Instrumental Politicization: Institutional Political Games:** In addition to regarding it as an ideological confrontation caused by domestic structural disorder or institutional fragility in the target country, some countries embed international development cooperation into domestic political logic through specific institutional arrangements and political games. The politiciza-

**Figure 1. The Impossible Trinity of International Development Cooperation**



(Figure: Fang, C. & Wang, W., 2026).

tion in this case is instrumental. It does not reflect institutional failure or the standstill of development cooperation, but rather the adaptability of domestic politics to external development cooperation.

The conditions for instrumental politicization can be divided into three possible directions: First, in domestic politics, there are objective conditions for the closure of the public policy process or the political opportunity structure, so that the “impossible trinity” does not hold. In countries with more resilient democratic systems, the election cycle and the space for public opinion provide a platform for politicization, but institutional resilience serves as a “cooling mechanism”. Laws and conventions bind multi-party competition, and external issues are “parliamentarized” rather than “street-oriented”. The bureaucratic system is relatively neutral and professional and can promote external development projects in a “depoliticized” manner, thereby achieving the redistribution of political interests rather than structural conflicts. In addition, under a stable, centralized political structure, the degree of social differentiation caused by international development cooperation is limited, the mobilization capacity of the opposition or social groups is weak, and political opportunities are limited. Second, artificial political strategies. The means of seeking political support, allocating resources, enhancing legitimacy, or attacking opponents. International cooperation projects are often repackaged as symbols of “government capacity” and “international prestige,” which are more common in countries with more resilient democratic systems. Under the democratic system, it has become an essential material for the ruling party to create an “achievement narrative”.

For example, whether it is the Malaysian Pakatan Harapan government renegotiating the East Coast Rail Link project, or the Indonesian Joko Widodo

do government using the Jakarta-Bandung High-Speed Railway as an essential platform to demonstrate the country’s modernization image, it is a political repackaging of the “Belt and Road” project. This approach does not deny cooperation itself but emphasizes its control over “discourse sovereignty” (Kuik, 2021).

### **The Ideologicalization of the Belt and Road Initiative in Southeast Asia**

#### **The Stalled Subic-Clark Railway Project in the Philippines**

The Subic-Clark Railway project, a key component of the BRI and part of the Duterte administration’s “Build, Build, Build” strategy, was intended to enhance logistics efficiency in Luzon by connecting Subic Bay and Clark International Airport (Chao, 2020). The Subic-Clark Railway is a freight railway under construction in central Luzon, Philippines, with a total length of 71 kilometers. Upon completion, it will enable port-rail-air multimodal transport, reduce logistics costs in Luzon’s core economic zone, and connect with the Northern Line Railway in the Philippines. On January 16, 2021, the Philippine Department of Transportation signed a \$940 million commercial contract with Chinese enterprises, marking the largest intergovernmental cooperation project between China and the Philippines at that time.

After the Marcos Jr. administration took office in 2022, Manila rapidly adjusted its strategic orientation and initiated a comprehensive reassessment of Chinese-funded infrastructure projects. This policy shift ultimately resulted in the suspension of several BRI-related projects and their gradual replacement by alternative development plans led by the United States and its allies.

In particular, the Marcos government conducted a broad “review” of major Chinese-backed projects, which led to the termination of negotiations on development cooperation with China and the cancellation of three railway projects, including the Subic–Clark Railway. Philippine officials attributed the cancellation to what they described as insufficient Chinese financial commitments, while redirecting their search toward allegedly more “reliable” sources of funding. In the same year, the Philippines also terminated bilateral negotiations with China on joint energy exploration in the South China Sea, further signalling a decoupling of development cooperation from earlier pragmatic engagement.

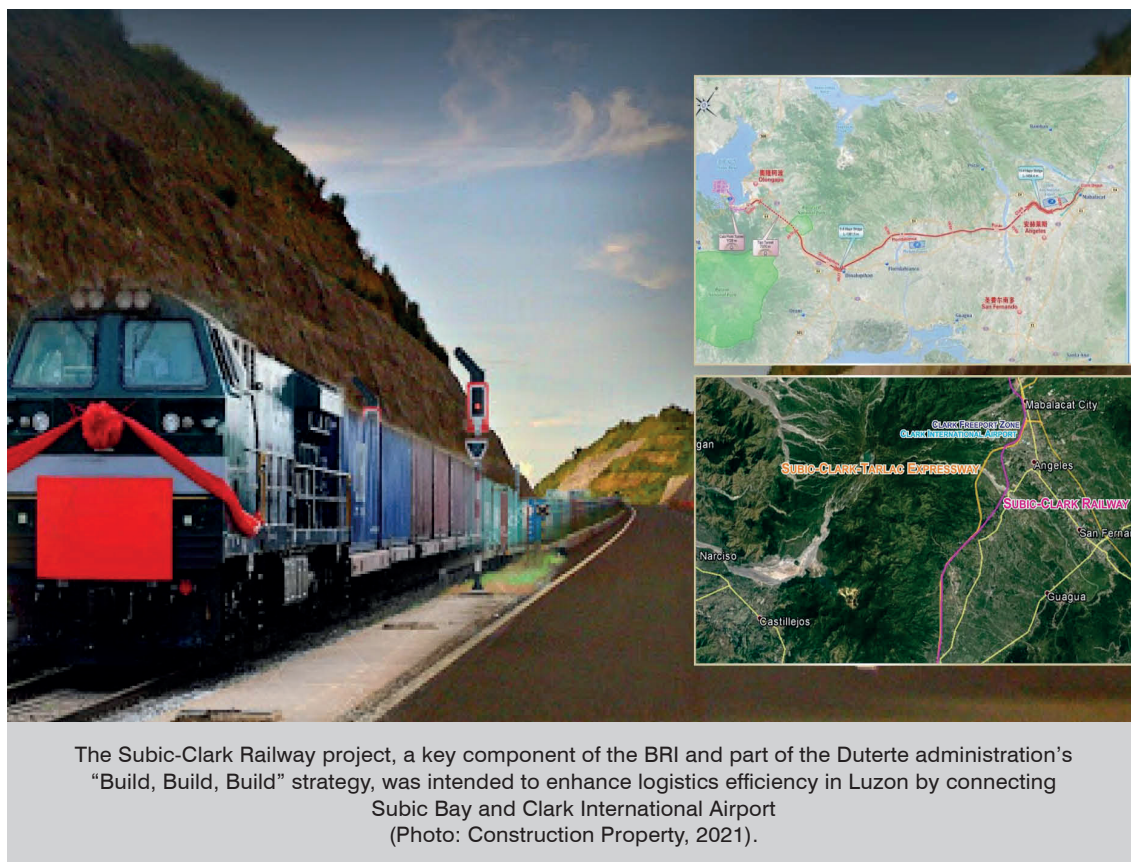


**Driven by domestic political incentives, Philippine politicians repeatedly amplified disputes over financing terms between China and the Philippines, framing the China-led construction and loan collateral arrangements as a form of “neo-colonialism” that allegedly threatened Philippine sovereignty. These narratives generated negative public opinion toward BRI projects within the country.**

Following the Marcos administration’s 2022 review of several Chinese-funded projects, including the Subic-Clark Railway, no substantial progress was made. The government has since ini-

tiated the Japan-backed North-South Commuter Railway, partially replacing the Subic-Clark Railway’s function, yet progress remains limited. This situation reflects the “impossible trinity” of development cooperation, highlighting three structural tensions.

Firstly, the Philippines’ democratic framework and populist environment provided opportunities for political elites to create development issues and engage in ideological mobilization, leading to significant divisions within the domestic political sphere. Opposition lawmakers exploited disagreements over financing terms, criticizing the “China-led construction + mortgage clause” proposal as a form of neo-colonialism that undermines Philippine national sovereignty. Driven by domestic political incentives, Philippine politicians repeatedly amplified disputes over financing terms between China and the Philippines, framing the China-led construction and loan collateral arrangements as a form of “neo-colonialism” that allegedly threatened Philippine sovereignty. These narratives generated negative public opinion toward BRI projects within the country. For political gain, some lawmakers portrayed the Duterte administration’s participation in the BRI as a strategic “concession” or “sacrifice” on the South China Sea issue, deliberately exaggerating cooperation frictions and constructing concepts such as “debt traps” or “commitment traps.” China was depicted as using investment to extract geopolitical concessions. At the same time, Japanese and other partners’ concessional loans were portrayed as less risky and more transparent, reinforcing the image of China as an “unreliable partner” (Yang, 2023). Media outlets and local NGOs amplified public distrust of “Chinese investment infiltration,” even alleging that China could “remotely control” the Philippines’ power



supply. It creates a political discourse environment that conveys “we are breaking away from the past” and “embracing a new era”. This public pressure eventually became institutionalized as a national agenda, leading to intense political opposition to the project and demonstrating the politicization of foreign cooperation due to conflicts among the political elite within the democratic system.

Secondly, the Philippines’ highly localized governance system exacerbated asymmetries in resource control and interest competition, creating structural obstacles to the project. The Subic Bay Metropolitan Authority (SBMA) is a central government agency. At the same time, the Clark Development Corporation (CDC) is influenced

by local forces in Pampanga province, leading to difficulties in coordinating interests. The SBMA favoured attracting foreign investment to develop the port, while Pampanga province demanded priority for local employment. Local politicians and ethnic interest groups were unwilling to “relinquish” control over resources, authority, and revenue to the central government or foreign enterprises. Issues such as land acquisition and environmental approvals intensified, prompting some residents, supported by environmental organizations, to launch protests. Some critics argue the project is “redundant” or misprioritised (e.g., the organisation Pinoy Gumising Ka, which describes the project as “redundant... anti-development” because an expressway already connects Subic and Clark).

These localized critiques suggest the project also plays into domestic political divisions: between local elites vs landowners/public, between regions, and between infrastructure priorities. The government's push to frame it as job creation, modernization, and growth bypasses or intersects local grievances. Overall, these local obstacles transformed into institutional barriers; for example, in 2021, the Pampanga Provincial Council passed a resolution opposing the railway's passage through a protected ecological area, forcing route adjustments and increasing costs. The local government used this situation to demand a higher financial share from the central government.

**The U.S., through the Asia Reassurance Initiative Act (ARIA), provided infrastructure assistance to the Philippines, pressuring it to reduce its dependence on China.**

Finally, as a U.S. ally in Southeast Asia and a front-line state in the Indo-Pacific strategy, the Philippines' foreign cooperation projects inevitably acquired an ideological dimension. Since 2020, following congressional turnover and intensified involvement by external powers, the South China Sea issue once again became a central axis of Philippine official discourse toward China. Political forces, particularly within Congress, increasingly framed BRI-related infrastructure cooperation as a geopolitical liability, warning that such projects could generate adverse strategic spillovers and openly opposing deep engagement with the initiative in foreign policy (Tilly, 1978). The U.S., through the Asia Reassurance Initiative

Act (ARIA), provided infrastructure assistance to the Philippines, pressuring it to reduce its dependence on China. In 2023, the U.S. International Development Finance Corporation (DFC) pledged financing for port upgrades in the Philippines, directly offsetting China's influence in Subic Bay. In fact, the involvement of international partners (US, Japan, Sweden) extends beyond financing to include technical assistance, studies of institutional/legal frameworks, signalling system grants, etc. For example, the Swedish grant for a feasibility study on signaling and operational models. The US assistance via USTDA emphasizes the "free and open Indo-Pacific region" phrasing, aligning the infrastructure with liberal-democratic/allied values rather than purely trade/transport. The embedding of "values" means the project is not neutral: it carries the ideological framing of governance, partnerships, alliances, and supply-chain resilience. This external geopolitical competition transformed the originally singular development cooperation project into a strategic symbol of multi-party competition, significantly undermining the project's sustainability and execution.

**The Termination of the Myitsone Hydropower Project in Myanmar**

The suspension of the Myitsone Hydropower Project underscores the intricate dynamics of Myanmar's democratic transition, particularly the interplay between external influences and domestic development, mirroring the "impossible trinity" concept. Initiated in 2006, the Sino-Myanmar project, a \$3 billion undertaking led by China Power Investment Corporation, was suspended in 2011 by President Thein Sein amid democratic reforms, central-local tensions, and great-power dynamics. As the world's 15th larg-

est hydropower station, construction officially commenced in December 2009. This project was jointly invested in and constructed by a consortium comprising Myanmar's Ministry of Electric Power, China Power Investment Corporation, and Myanmar's Asia World Company. With a total installed capacity of 6 million kilowatts, it can provide Myanmar with an average of 30.8 billion kilowatt-hours of electricity annually. After meeting domestic demand, surplus power will be exported to neighbouring countries.

The project's halt coincided with Myanmar's political liberalization. After 2011, decentralization expanded political space, amplifying NGOs' and civil society's criticisms of Chinese investment projects and thereby politicizing the issue. The project became a symbol of public sentiment and national sovereignty. On September 30, 2011, then-President Thein Sein of Myanmar

announced the suspension of the Myitsone Dam project, citing that "the government has a responsibility to act in accordance with the will of the people." The international community widely interpreted this move as a symbolic milestone in Myanmar's political reform and democratization process.

The Myitsone Hydropower Project is a large-scale dam and hydroelectric development planned for the confluence of the Nyamai and Mali rivers in Kachin State, northern Myanmar, where the two rivers merge to form the Irrawaddy River. Local political fragmentation and identity politics exacerbated conflicts. The project sites were primarily located in ethnic regions (such as Kachin State, Rakhine State, Shan State, and Chin State), which held unique religious and cultural significance and had a long history of political opposition to the central government.



The Philippines inaugurated HD Hyundai Heavy Industries Philippines' new shipyard in Subic Bay with the backing of South Korean and U.S. economic investments (Photo: USNI, 2025).

The central government was unable to forcibly integrate resources and consensus, leading to intense reactions from ethnic armed groups, local communities, and religious organizations. This localized interest structure led to widespread resistance and suspicion towards the central government and Chinese cooperation projects, severely hindering development cooperation at the local governance level. The Kachin people generally believed that the project did not adequately consult local opinions and imposed environmental and social risks on the region. Ethnic political fragmentation strengthened the “identity politics” dimension of local social mobilization. Myitsone became a symbol for the Kachin people to defend local rights and oppose central oppression. This regional political fragmentation and identity mobilization directly constituted a structural obstacle to development cooperation (Kiik, 2016).

As Myanmar reduced its dependence on China, Western countries increased their support. The project was framed as “unequal cooperation imposed by China,” transforming development cooperation into ideological confrontation, thereby eroding trust.

### **Limited Politicization and the Advancement of the BRI in Southeast Asia**

Not all instances of development cooperation politicization manifest as institutional tensions akin to an “impossible trinity.” In certain democracies characterized by robust institutional resilience, such as Malaysia and Indonesia, external cooperative projects, while enmeshed in domestic politics, primarily exhibit instrumental politicization. This entails strategically integrating external cooperation into public

policy, partisan competition, and state-building endeavors, thereby bolstering governing legitimacy, resource allocation, and policy agenda management. Despite political divergences within these nations’ democratic frameworks, the presence of “parliamentarization” and “technocratization” mechanisms provides a buffer, enabling the adjustment and re-narration of development projects to ensure their continued progress.

In fact, these two concepts are key mechanisms for explaining why certain democracies (e.g., Malaysia, Indonesia) have been able to contain the politicization of foreign cooperation projects at the level of “instrumental politicization”, without sliding into destructive ideological confrontation. They are key mechanisms for explaining why some democracies (e.g., Malaysia, Indonesia) have been able to contain the politicization of foreign cooperation projects at the level of “instrumental politicization” without sliding into destructive ideological confrontation. They are essentially ‘buffers’ and ‘coolers’ of democratic institutional resilience in the face of external cooperation programs. Parliamentarization refers to the process of transferring controversial issues (e.g., large-scale infrastructure projects such as Chinese-funded railways and ports) that might otherwise trigger street protests, social movements, or intense populist mobilization through institutionalized channels to formal legislative bodies such as parliament (Congress), committee hearings, the questioning process, and the budgetary deliberations, to be discussed and dealt with. Issues move from ‘street politics’ to ‘parliamentary politics’. Technocratization refers to the process by which decision-making, evaluation, implementation,

and monitoring of development cooperation projects are entrusted to a relatively neutral and professional technocratic system (e.g., Ministry of Finance Planning Department, Ministry of Transportation and Communications Technical Department, National Development Planning Agency, independent consultancies, etc.) rather than being directly led by politicians or political parties. Projects are ‘depoliticized’ and transformed into issues of technology, feasibility, and financial return.

In more resilient Southeast Asian democracies (e.g., Malaysia and Indonesia), parliamen-

tarization has kept the most contentious political disputes in the halls of parliament. At the same time, Technocratization has cooled them down with professional data and international standards, thus successfully transforming the diplomatic-geopolitical risks of the Belt and Road Initiative into manageable domestic policy adjustment costs. The two together have successfully transformed the diplomatic-geopolitical dangers of the BRI into manageable domestic policy adjustment costs, thereby enabling the sustainable promotion of the project under the condition of ‘limited politicization’.



“Myitsone became a symbol for the Kachin people to defend local rights and oppose central oppression” (Photo: Myanmar Now, 2025).

### **Instrumental Politicization of the East Coast Rail Link (ECRL) Project in the Context of Malaysian Elections**

Since the 21st-Century Maritime Silk Road Initiative was introduced in Malaysia in 2013, China has consistently remained the country's largest foreign investor in the infrastructure and construction sectors, while also deepening cooperation across manufacturing, services, technological applications, and people-to-people exchanges. China has long been Malaysia's largest trading partner, and this highly structured economic interdependence has provided a stable material foundation for sustained China–Malaysia development cooperation.



**Former Prime Minister Najib Razak was accused of leveraging Chinese-funded projects for personal gain and exacerbating the nation's financial burden. These accusations successfully stoked widespread public anxiety about government corruption and national sovereignty, thereby aiding the opposition, led by Mahathir, in securing an electoral victory.**

The East Coast Rail Link (ECRL), a flagship BRI project undertaken by Malaysia in collaboration with China since 2016, aims to connect Malaysia's east coast to western ports, thereby enhancing inland transportation capabilities and promoting bal-

anced regional development. The original contract was signed in November 2016 under the Prime Minister Najib Razak and the federal government led by the Barisan Nasional coalition. Throughout its construction, the project encountered domestic political resistance, leading to its instrumental politicization and subsequently affecting the original plans and timelines. However, the new government did not negate the project itself but rather renegotiated to reduce costs and adjust the route. This approach allowed the government to demonstrate its achievements and stance while leveraging and adapting international development cooperation, rather than de-cooperating.

Initially, with the 2018 Malaysian general election as the central backdrop, the ECRL project was instrumentally used by domestic political actors and systematically integrated into the opposition's campaign agenda. The opposition coalition, Pakatan Harapan (Alliance of Hope), portrayed the ECRL project as a symbol of the ruling party Barisan Nasional's (National Front) "pro-China betrayal" and "debt-trap diplomacy" (Wang, 2023). After the 2018 general election, the new government led by Mahathir Mohamad (under the Pakatan Harapan coalition) suspended the project, citing cost, transparency, and national-interest concerns. At the same time, the ECRL has become a locus of critique against the previous government's handling of China-backed projects, cost overruns, and transparency issues. These criticisms have had an effect at the political level: opposition parties or the new ruling party have used the project to stir public discontent over 'selling out sovereignty', 'taxpayers' burdens', and 'overdependence on China', thereby constructing an electoral discourse. discontent and thus build a campaign discourse. For example, Najib's response in 2017 to allegations of 'selling out the



“The East Coast Rail Link, undertaken by Malaysia in collaboration with China, aims to connect Malaysia’s east coast to western ports, thereby enhancing inland transportation capabilities and promoting balanced regional development” (Photo: Xinhua, 2023).

country’s sovereignty’ suggests that the project has become a battleground for political contestation. Former Prime Minister Najib Razak was accused of leveraging Chinese-funded projects for personal gain and exacerbating the nation’s financial burden. These accusations successfully stoked widespread public anxiety about government corruption and national sovereignty, thereby aiding the opposition, led by Mahathir, in securing an electoral victory.

Furthermore, Malaysia’s mature and stable institutional environment prevented the exploitation of political opportunity structures and the exacerbation of central-local and ethnic divisions. This was characterized by a high degree of “parlia-

mentarization” rather than “street-level” activism. Additionally, the Malaysian bureaucratic system demonstrated a capacity for depoliticization in the later stages, enabling the adjustment of cooperation terms through professional negotiations, thus maintaining project advancement. Although the cost and necessity of Indonesia’s Yavan High Speed Railway has been questioned many times, technocrats from Indonesia’s Ministry of National Development and Planning (Bappenas) and the State Enterprises Commission (Komnas Perempuan) have continued to provide positive Economic Internal Rate of Return (EIRR) evaluations that have kept the project alive and moving forward under both of Joko’s administrations.

The re-launch of the Malaysian East Coast Railway was led by a team of professionals under the Ministry of Finance who renegotiated the contract details with the Chinese side, which ultimately resulted in significant cost reductions and increased local content, and successfully defused the initial ‘sell-out’ and ‘debt trap’ accusations.

**After Anwar Ibrahim assumed office as prime minister in 2022, the new government continued to advance cooperation under the Belt and Road Initiative and explicitly expressed strong support for China’s four Global Initiatives, signaling policy continuity rather than retrenchment.**

Finally, the opposition’s political statecraft and Mahathir’s strategic maneuvers not only achieved the goal of mass mobilization but also ensured the project’s continuation. In 2018, Pakatan Harapan framed the ECRL as a symbol of a “national financial crisis” and a “debt trap,” imbuing it with ideological connotations because of its Chinese funding. The objective was not to negate cooperation itself but to undermine the political legitimacy of the United Malays National Organization (UMNO)-led government. Upon assuming office, Mahathir, through renegotiation, reframed the project, transforming it from “foreign dominated” to a symbol of “national autonomous development,” thereby utilizing it as a platform to showcase his governing capabilities (Kuik, 2021).

After Anwar Ibrahim assumed office as prime minister in 2022, the new government continued to advance cooperation under the Belt and Road Initiative and explicitly expressed strong support for China’s four Global Initiatives, signaling policy continuity rather than retrenchment. In response to the Indo-Pacific strategic narratives promoted by both the Biden and Trump administrations, as well as the security mobilization efforts pursued by the Marcos government in the Philippines, Malaysia adopted a strategy of passive non-alignment and deliberate non-response. This approach effectively insulated Malaysia from the diffusion of “Philippines-style” securitization discourse at the regional level and prevented its spillover into Malaysia’s own development cooperation framework (Jamil, 2021).

#### **The Delay and Subsequent Operationalization of the Jakarta-Bandung High-Speed Railway (HSR) Project**

The Jakarta-Bandung High-Speed Railway (HSR) project exemplifies China’s BRI within ASEAN. This infrastructure project, linking West Java’s urban centers, aimed to enhance infrastructure and stimulate regional economic development. Initially conceived in 2015, the HSR was inaugurated in October 2023. Despite societal contestation, the project exhibited “instrumental politicization”. The Jakarta-Bandung High-Speed Railway (JSR) is the most typical project in Indonesia’s Belt and Road cooperation that has achieved ‘limited politicization/instrumental politicization’. Although the project faced numerous controversies over the environment, land acquisition, debt, and cost overruns between its inception in 2015 and its opening in 2023, it did

not slide into the stagnation or cancellation of the Subic-Clark Railway in the Philippines, thanks to the dual ‘cooling mechanisms’ of parliamentarization and Technocratization that make Indonesia’s system more resilient.

Indonesia’s institutional architecture, characterized by a strong presidential system, provided a stable political foundation. The Jakarta-Bandung HSR, spearheaded by the Joko Widodo administration, was integrated into national strategic frameworks, symbolizing national modernization. This reflects instrumental politicization: to bolster performance narratives, attract foreign investment, and cultivate international credibility. The HSR’s “politicization” was pronounced during President Widodo’s re-election campaign, with emphasis on “the nation’s first

HSR,” “Chinese technology transfer,” and “the advancement of the Java economic corridor.” During the re-election period, the Instrumental Politicization of the HSR became even more explicit. Widodo not only presented the railway as a symbol of domestic modernization but also framed it as evidence of Indonesia’s capacity to appropriate and steer international development cooperation on its own terms. Widodo repeatedly underscored the importance of host-country agency in BRI cooperation, calling on partner countries to strengthen their sense of “ownership” over projects. At the opening ceremony of the Third Belt and Road Forum for International Cooperation, he emphasized that the subjectivity of cooperation partners is a key prerequisite for the long-term sustainability of BRI projects.



“The Jakarta-Bandung High-Speed Railway project exemplifies China’s BRI within ASEAN”  
(Photo: China Daily, 2021).

He argued that cooperation must adhere to principles of mutual benefit and win-win outcomes, achieved through careful planning, transparent financing, localization of labor, and the use of domestic raw materials.

**It is under the double cooling of parliamentarization and Technocratization that the Yavan Express Railway has successfully transformed the originally highly sensitive Chinese-funded project into the Joko government's 'national modernisation business card' and realized one of the most successful cases of the 'Belt and Road' in Southeast Asia.**

In fact, during the decision-making and bidding phase of the project in 2015-2016, the bidding between China and Japan raised questions about 'choosing sides' in Indonesia (Mao, 2025). At the same time, as the project was not initially included in the national railway master plan, it was also accused of being a 'political project'. Against this backdrop, Dewan Perwakilan Rakyat (DPR) held several hearings and questioned the Minister of State Enterprises, Rini, and the Minister of Transport, with the controversy confined to the halls of parliament. The opposition has expressed strong dissatisfaction and criticism, but only through procedural questioning, not street mobilization. Crucially, the Indonesian government consistently framed the Jakarta-Bandung HSR and related BRI co-

operation within a developmentalist discourse emphasizing "national development priorities" and "technocratic rational governance." This narrative strategy effectively insulated the project from securitization and prevented the translation of economic or operational disputes into national security concerns.

The Jakarta-Bandung HSR was designated a National Strategic Project in 2016, entitling it to "one-stop licensing services" under Presidential Regulation No. 3 (Sen, 2016). These institutional arrangements demonstrate the Indonesian government's capacity to coordinate local and central interests, ensuring the smooth advancement of the Jakarta-Bandung HSR project. While the military-political dynamics and central-regional interest divergence provided opportunities for opposition (Paksi, 2022), the closed political opportunity structure constrained effective mobilization. In 2017, the West Bandung Regency parliament rejected spatial planning adjustments, citing environmental and compensation concerns, leading to construction suspension. The Widodo administration employed legal and administrative measures, including Presidential Regulation No. 3/2016, addressing land use and acquisition. At the same time, the Indonesian Bangar DPR has also coordinated with local councils to 'parliamentarize' land acquisition disputes by making concessions to local governments through multiple hearings and ultimately adopting a resolution on the condition of additional local employment and ecological compensation. In the subsequent phase of cost overruns and epidemic delays, the DPR required the Minister for State Enterprises to publicly renegotiate the details with the Chinese side, amid controversy over public parliamentary hearings. While the Opposition has repeatedly attacked



the project, arguing that a spike in its cost from \$5.5bn to \$7.4bn would create a debt trap and benefit China, it has been virtually impossible to prevent the budget from being increased. Subsequently, DPR has held several hearings and submitted third-party security assessment reports to China to limit security disputes to the level of professional questioning.


It is under the double cooling of parliamentarization and Technocratization that the Yavan Express Railway has successfully transformed the originally highly sensitive Chinese-funded project into the Joko government's 'national

modernisation business card' and realized one of the most successful cases of the 'Belt and Road' in Southeast Asia. As a result, the project was completed and put into operation smoothly, and it is currently running 62 train services per day, with peak daily ridership reaching 25,000 passengers. The railway has thus emerged as a flagship example of high-quality BRI cooperation in Southeast Asia, illustrating how developmental framing and institutionalized political management can neutralize potential securitization risks while sustaining large-scale infrastructure cooperation.

## Conclusion

This study demonstrates that the politicization of international development cooperation in Southeast Asia is structurally embedded in the interaction between domestic political processes and international development cooperation led by major powers (e.g., the Belt and Road Initiative).

Empirical evidence from the Subic-Clark Railway project in the Philippines and the Myitsonne Hydropower Project in Myanmar supports the arguments, illustrating the “impossible trinity” of development cooperation. Conversely, the analysis of the East Coast Rail Link project in Malaysia and the Jakarta-Bandung High-Speed Railway project in Indonesia reveals instances of limited politicization. The findings strongly support the hypothesis that openness of the public policy process, coupled with political divisions and great power competition, render international development cooperation susceptible to ideological politicization.

These findings suggest that the effectiveness and sustainability of international development cooperation in the Global South depend not only on financial scale, governance standards, or diplomatic craft, but critically on whether domestic political systems possess institutional buffers capable of containing politicization pressures. 

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# Hitler's War Against the Soviet Union: Also, a Proxy War For the US




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## ABSTRACT

This article argues that the United States utilized Adolf Hitler's war against the Soviet Union as a proxy war to combat socialism. While publicly maintaining neutrality and later becoming an ally, US capitalists systematically supported fascist regimes in Europe—particularly Nazi Germany—politically, economically, and technologically from the 1920s onward. Major American corporations, including Ford, General Motors, IBM, and Standard Oil, provided crucial military supplies, technology, and financial services to the Wehrmacht, enabling Hitler's blitzkriegs and war of annihilation against the USSR. The Bank for International Settlements (BIS), dominated by Wall Street and serving as Hitler's war bank, facilitated the transfer of looted gold and resources while maintaining extraterritorial operations throughout World War II. The US only provided limited Lend-Lease aid to the Soviet Union after Stalingrad, delaying the opening of a second front until 1944. Post-war, the US protected Nazi collaborators and continued using the BIS for anti-communist economic restructuring through the Marshall Plan, demonstrating that the primary American objective was not defeating fascism but destroying the Soviet Union as the main enemy of capitalism.

**Keywords:** anti-communism, Bank for International Settlements (BIS), Proxy war, Nazi Germany, US corporations.

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### Introduction

IT IS WELL KNOWN THAT THE US supported the Soviet Union in World War II. However, the

main enemy of the US in Europe was socialism, which is why they armed all fascist dictators from 1922 onwards – especially Hitler, including in his war of annihilation against the Soviet Union.<sup>1</sup>

### **Versailles: A Counter-plan to the “Communist World Revolution”**

US President Woodrow Wilson had won the 1912 election with the promise that the US would remain neutral and never enter the war looming in Europe. But as soon as the war began in 1914, Wall Street banks and their affiliated corporations entered the war. At the same time, the US government under Wilson publicly maintained neutrality for three years, until 1917.

#### **Wall Street Goes to War Despite President Wilson**

Wall Street and corporations provided credit and supplies to the Allies in Europe at the start of the war. These countries did not have the industrial capacity to equip the largest armies in history themselves: England had 8.9 million soldiers, France 8.4 million, Italy 5.2 million, Russia 5 million, Serbia 700,000, and Belgium 267,000.

However, US capitalists also provided credit and supplies to the enemies, namely Germany with 13.2 million soldiers and Austria-Hungary with 9 million. This was the case for most of the war, the first three years from 1914 to 1917. Deliveries only ended when the US declared war on Germany in April 1917 and on Austria-Hungary in December 1917, one year before the end of the war in November 1918.

Carnegie Steel, US Steel, DuPont (ammunition), Guggenheim (raw materials), General Electric and Westinghouse (electricals), Grace (chemicals), International Nickel, Standard Oil, Anaconda (copper), Armour (canned meat), Goodyear and Firestone (rubber tires), and

AT&T (telephones, cables); numerous other US companies also supplied such products, as well as ships, aircraft engines, grain, shoes, and uniforms. According to the terms of the loan, the Europeans had to buy as much as possible from US corporations.

When the war became bogged down in trench warfare in 1917 and neither side could win, Wilson advocated “peace without victory”: if the war ended in a stalemate, justice for all and a peace treaty with collective security would be easier to achieve; if the US now helped its allies to victory, the deadly cycle of violence would continue: in private circles, Wilson called this “a crime against civilization.”

#### **Wall Street Forces the US to Enter the War, Also Militarily**

But to secure loan repayments and profits for banks and corporations, Wall Street pushed for the war to continue: first, by continuing to supply the Allies; second, by arming the US; and now also by entering the European war militarily. So Wilson quickly changed his mind and committed the “crime against civilization”.

At the same time, critics of entering the war were arrested under the Espionage Act passed in 1917 because they were spying for the enemy. The Socialist Party’s candidate for the presidential elections, Eugene Debs, was sentenced to 10 years in prison. In 1918, the Sedition Act was added: Thousands of members of the two newly founded communist parties were arrested and, in many cases, deported abroad. 165 officials of the new anti-capitalist trade union International Workers of the World (IWW) were arrested, most of them convicted. The Socialist

Party's newspaper was banned, while the leading private newspaper, the New York Times, immediately switched to a war footing (Zinn, 1999: 361).

On April 2, 1917, President Wilson announced to Congress the opposite of what he had previously proclaimed: The US would not remain neutral, but would now lead the "crusade of peace-loving democracies," invoking God: "God help America, it cannot act otherwise!"

### **Birth of Professional Fake Production**

Wilson also organized mass propaganda for this purpose. The government founded the US Committee on Public Information (CPI) with former socialists, psychoanalysts, journalists, and political scientists, including Walter Lippmann, a graduate of the elite Harvard University.

In a short time, 75,000 well-paid agitators were sent out across the US. They were called the four-minute men: they delivered a standard four-minute speech that portrayed the German Empire as a diabolical monster and promoted US entry into the war.

Hollywood received a lot of money for films in which the German emperor was portrayed as "the beast of Berlin"; German soldiers were depicted as roaring apes who raped virgins.

The CPI is considered the beginning of modern, professionally organized, state-private US fake production.

### **Easy Victory Over the Exhausted Europeans**

With only one million soldiers, who were not fully manned and equipped on the European

continent until May 1918, the US was able to present itself as the victor over its completely exhausted enemies in just a few months. The armistice was signed on November 11, 1918.

The US military had fulfilled Wall Street's mission: there was a culprit and a loser, i.e., a payer: Germany.

### **Lenin's Revolution as the Greatest Democratic Event**

The Versailles "peace" conference after World War I, led by US President Woodrow Wilson, was not aimed at peace, but at the "national interest" of the US in fighting the advance of "Bolshevik doctrine to the West." In fact, the propaganda staging of the "Bolshevik threat" was basically directed against the worldwide advance of democracy.

For example, the capitalist, political, and military elites of the US saw the founding of the Republic of China in 1912 by Sun Yat-Sen as a threat, which was reflected in the 1920s in the US's extensive support, lasting more than six decades, for Generalissimo Chiang Kai-Shek, who, as a fascist Hitler fan, overthrew the Republic of China.

For example, the elections to the Constituent Assembly organized by the Bolsheviks in Russia in November 1917 were far more democratic than those in the US: "At least 44 million Russians went to the polls. At the time, this was the greatest expression of the will of the people to date. Three times as many Russians participated in the November 1917 election as Americans did in the 1916 presidential election." Twelve parties ran for election in Russia, with the parties of the revolution receiving just under 80 percent of the vote: this was the "greatest event in the history of democracy" at the time (Tooze, 2015: 111).

### 1918: The US Leads the Invasion of Russia

That is why the US has now revealed its real enemy. Wilson's Secretary of State Robert Lansing declared that the Soviet government was much more to be feared than the anti-Semitic and autocratic government of the Tsar. Therefore, the Soviets must be "wiped out as the natural enemies of the United States" (Tooze, 2015: 185).

Thus, in 1918, the US not only invaded Russia to overthrow the socialist government, together with the military forces of the Allies and autocratic states such as Japan, Finland, Romania, and the Baltic states. The US also brought along the German Empire's military, which it had pre-

viously fought as a beast and a monster. This allowed British Minister of War Winston Churchill to rave about the "campaign of the 14 powers."

In addition, the US supported the tsarist generals Denikin, Semyonov, Diterichs, Krasnov, Yudenich, Kaledin, and, above all, Kolchak with money and armaments. As White Guards, they fought the Soviets that had formed throughout the country with the remnants of the tsarist army.

But popular support for the socialist revolution was too strong. The Western-supported tsarist generals turned into brutal warlords. At the same time, thousands of officers and even generals defected to the Red Army, including General Mikhail Tukhachevsky, who became Chief of Staff of the



Woodrow Wilson inspecting troops in London en route to Paris  
(Photo: The World War, n. d.).

Red Army in 1925. Tens of thousands of White Guards also changed sides.

Thus, the anti-communist alliance led by the US quickly collapsed and fled from democracy and socialism.

### **Versailles Peace Conference: With Wilson into the Next War**

But the US capitalists and their allies did not give up on their goal. After withdrawing from Russia, Wilson then presided over the Versailles “peace” conference in 1919. There, he prepared for the next war - not explicitly or consciously, of course, but in the logic of his decisions and non-decisions made with the Allies.

The politicians sponsored by private banks and companies in Western capitalist democracies, especially in the US, should not, do not want to, and cannot openly explain their actions and their consequences—that is their job. They promise democracy, peace, and prosperity to the people, but undermine these promises with their actual measures. This usually becomes apparent to the majority of the population only gradually and much later. It took 20 years from Versailles in 1919 to the outbreak of World War II, but there were many intermediate steps along the way. True democrats and Marxists recognized this immediately at the time, but they were fought against and even murdered. Other critics, such as Hitler, developed their demagoguery from this, which then became a reality, with the help of those who had already made World War I great and led to World War II, and who will make huge profits already in its preparation.

Germany remained excluded from Versailles. The Allied delegations were dominated by representatives of capital, such as Wall Street lawyer John Foster Dulles and banker Jean Monnet: In the de-

cadecades that followed, Dulles represented US corporate and war interests, including support for Hitler (Kinzer, 2013: 49). During World War II, the US banker with French origins, Monnet, represented the fascist collaborationist government of France (the Vichy government) and, at the same time, working in the US government and after World War II became the “founding father of Europe”. i.e., of the US-led capital bureaucracy that later came to be known also as the “European Union” (Rügemer, 2020: 64).

### **Reasons for Wars Remain**

Germany was declared the cause of the war and was also obliged, in theory, to pay reparations to the Allies for war damages. However, this was not made binding in the Treaty of Versailles (Article 231) – the US forced France, England, and Italy to agree and reserved the right to implement it later on its own.

In his great 14-point peace declaration of January 1918, Wilson had called for democratic self-determination and equal rights for all nations, as well as global disarmament and the founding of the League of Nations – but Wilson lied: The US had recently conquered Puerto Rico in its “backyard”, Latin America, and the Philippines in Asia by massacring civilians. They were not granted statehood, but were dictatorially administered and plundered as “dependent territories”.

That is why the opposite of what Wilson had promised in his 14-point declaration was initiated in Versailles, under Wilson’s leadership (Baker, 1923):

\*Only Germany had to disarm.

\*Wilson rejected all requests for support from the Vietnamese liberation movement, represented by Ho Chi Minh.

\*The US, itself a (neo)colonial power, also strengthened the colonialism of the European Allies: all colonies were taken from the German Reich, but as continuing colonies they were allocated to other colonial powers such as France, England, and Japan. The new colonial power, Japan, which had already conquered the Chinese island of Formosa (Taiwan) in 1895, thus received the former German colony of Kiautschou in China and was encouraged to make further colonial conquests there.

\*Following the classic colonial pattern, the Franco-British Sykes-Picot Agreement destabilized Palestine with new borders – opening it up to Western-influenced conflict situations with the occupation of Palestine, culminating in the genocide of 2025 by the US proxy warrior Israel.

\*The US initiated the League of Nations, but never joined it. The US instead concluded individual treaties with the various warring parties from 1921 onwards. Thus, by the Treaty of Berlin, the US regulated its further advance into Germany: loans to the German Reich for reparations to the Allies, loans for reconstruction under US supervision in Berlin, the establishment of branches of US corporations, and other forms of penetration.

### **The US Promotes All Fascist Dictatorships in Europe**

Thus, after the war, US access to Europe continued in the fight against the “Bolshevik threat,” alongside investments and the production of fake goods. The US supported all fascist dictators because they destroyed labor movements and democracy, and kept wages low. Above all, the dictatorship in Germany was promoted politically, economically, technologically, and in the media, paving the way for a profitable World War II, in-

cluding for Hitler’s proxy war against the Soviet Union on behalf of the US capitalists.

### **Italy 1922: Mussolini**

As in many European countries, workers in Italy had been striking against the war since 1917 and forming workers’ councils. In 1920, one million workers occupied their factories. The Communist Party under Antonio Gramsci quickly became influential.

But the fascist Black Shirt squads of the converted ex-socialist Benito Mussolini brutally beat and shot down the general strike. In 1922, Mussolini was enthroned as head of government by King Emanuele III, with the blessing of the catholic church and the Vatican.

Mussolini, the “Duce” (leader), was celebrated by US capitalists as a leading European figure. Elbert Gary, founder of the merged steel company US Steel, together with bankers John P. Morgan and Andrew Carnegie, demanded in 1923: “We need a Mussolini too.” Henry Luce, publisher of Time, Fortune, and Life magazines, presented the Duce as “the most important political leader of the present day.” The US ambassador to Italy, Washburn Child, broke with all diplomatic conventions by joining the Fascist Party. Gramsci, on the other hand, was imprisoned and died in prison (Behnen, 1999).

The US financial Elite expressed their delight that the “Bolshevik threat” was now over. The US forgave Italy 80 percent of its war debts. In 1923, the second meeting of the International Chamber of Commerce was demonstratively held in Rome under US leadership, attended by 1,000 businesspeople; the largest and most prominent delegation, with 200 members, came from the US.

US banks and corporations bought shares in major companies such as FIAT (cars), Pirelli (car tires), and Montecatini (chemicals). Ford opened a factory. US banks like Bank of America, Chase National Bank, and National City Bank established branches and provided loans for infrastructure construction and rearmament.

In 1935, Italy waged war against an uprising in its colony of Ethiopia. The "Abyssinian War" became the most motorized war to date and "the first fascist war of extermination," with the help of military vehicles and fuel from the US, Ford, General Motors (GM), and Standard Oil (Asserate & Mattioli, 2006).

### **Portugal: Salazar**

In Portugal, a revolution abolished the monarchy in 1910 and established a republic. After a general's coup, Antonio Salazar, an economics professor sponsored by the Catholic Church, was appointed finance minister in 1928 and ruled as a dictator from 1932, following Mussolini's example: "Save Portugal from communism!"

Fordham University in New York awarded Salazar an honorary doctorate in 1938. In 1940, *Life* magazine raved about "by far the best dictator in the world, the greatest Portuguese since Henry the Navigator" (*Life*, 1940).

Portugal, like the other militarily neutral states, Spain, Sweden, and Switzerland, will be an essential location for relations between the US and Nazi Germany during World War II.

### **Spain: Franco**

General Franco, married to the heiress of a noble landowner, also had himself celebrated as

"caudillo" (leader). From 1936, he organized the war against the republic. Hitler helped with soldiers, weapons, money, and aircraft.

Despite the US Congress's declared neutrality, DuPont supplied bombs. Ford, Studebaker, and GM supplied 12,000 military vehicles. Texas Oil and Standard Oil fuel provided. In 1939, the Roosevelt administration immediately recognized the fascist Franco government, together with Hitler's Germany and the Vatican.

During World War II, Franco's Spain served as an essential economic supporter of Hitler's Germany, under the supervision of the US ambassador. Also, US corporations like AT&T and Firestone supplied the German military through their branches in Spain (Hayes, 1946).

### **France: General Pétain**

In 1940, immediately after Hitler's blitzkrieg in France, US President Roosevelt recognized the fascist collaborationist government of General Pétain.

Thus, after England, France remained the most important US ally. At the same time, the branches of US banks in Paris cooperated with the German occupying forces, delivering shares stolen from Jews to the Nazis, as did the leading French bank *Crédit Lyonnais*. French companies such as Renault and Citroen also supplied the German Wehrmacht during the war against the Soviet Union.

The US High Commissioner for the french colonies in North Africa, Jean Monnet, in 1943 called on the Roosevelt administration to not cooperate with the anti-fascist resistance movement and to "destroy" the nationally conscious General Charles de Gaulle, because he is an enemy of the "reconstruction of Europe" to be led by the US after the war (De Villiers, 2019: 112).

### **China: Chiang Kai-shek**

In 1925, after the death of Sun Yat-sen, the initiator of the Republic of China, which was founded in 1912, the old feudal oligarchic clans prevailed. Their leader was Hitler fan Chiang Kai-shek: "What China needs most is fascism."

The US supported the dictator with advisors, money, and weapons, together with Hitler's Germany, which also sent advisors, money, and weapons. In 1943, Roosevelt and Churchill invited Chiang and his luxurious entourage to Cairo (Mathorpe, 2009: 182).

After the Founding of the People's Republic of China, the US will rescue the oligarchic Chiang Kai-shek clan to the island of Formosa, where it will continue to protect and finance them under martial law until 1987 as fighters against the "Bolshevik threat" - even against the UN's decision that the island belongs to China.

### **From 1922: Ford for Adolf Hitler**

Henry Ford was the most successful US entrepreneur after World War I. Starting in 1919, he established branches in Europe, in Ireland, Denmark, Spain, France, in 1922 in Mussolini's Italy, in 1924 in the Netherlands and Sweden, and in 1925 and 1930 in Germany.

Patriarchal and anti-semitic autocrat Ford, who hated unions and the "Bolshevik threat", discovered Adolf Hitler early on, along with Mussolini, and Hitler had already discovered Ford. A reporter from the *New York Times* visited Hitler in Munich in 1922 and reported on the photo of Ford and his anti-semitic book, *The International Jew*, on Hitler's desk (The New York Times, 1922).

Ford, as the capitalist avant-garde, supported Hit-

ler's attempted coup in 1923 and donated \$50,000 annually. Capitalists from Germany, Switzerland, and the Netherlands later joined as sponsors.

### **The US Promotes Hitler and Arms the Wehrmacht**

US corporations established 1,300 branches in post-war Europe, acquired major companies, and opened markets for US goods. This was particularly true in Germany, partly thanks to the Dawes Plan (1924) and Young Plan (1930) credit programs.

As a result, around 400 US corporations were present in Germany in the early 1930s, including Ford, General Motors, Otis Elevator, Remington, Goodyear, DuPont, Coca-Cola, IBM, ITT, Texaco, United Fruit, American Metal, John Deere, International Harvester, Standard Oil, and Singer. General Electric (GE) was a major shareholder in the leading German electrical engineering company AEG. General Motors had bought the German car manufacturer Opel. With Hitler's government in power from 1933, business grew exponentially (Wilkins, 1974: 155).

### **Hollywood Promoted Hitler**

Fox Tönende Wochenschau, the German subsidiary of the Hollywood corporation 20th Century Fox, was already producing propaganda films for Hitler's election campaigns before 1933, with titles such as "Der Führer" and "Hitler's Struggle for Germany."

Nazi Germany became the largest buyer of Hollywood films: the Nazi consul in Hollywood controlled the film scripts, and Hollywood producers agreed to the censorship. Propaganda Minister Goebbels sent directors such as Leni Riefenstahl



“With the rearmament that began in 1935, Ford and GM ultimately produced 90,000 and 130,000 military vehicles for the Wehrmacht, respectively” (Illustration: Rick Nobles, Chronicle/Sfgate, 2007).

to Hollywood to learn. He was convinced that fascism remains in power when the majority of the population is well entertained and apolitical (Urwand, 2013).

The German-American Petroleum Company (DAPG, later Esso) was a wholly owned subsidiary of Standard Oil. DAPG boss Emil Helfferich immediately joined the Friends of the Reichsführer SS, also known as the Himmler Circle, in 1933.

### Rearmament of Hitler's Germany

With the rearmament that began in 1935, Ford and GM ultimately produced 90,000 and 130,000 military vehicles for the Wehrmacht, respectively. Partially, they were expanded to include all-wheel drive and caterpillar tracks. GM, the largest

carmaker in Europe, also produced propulsion systems for bombers and fighter jets, as well as torpedoes for German submarines. The highest production volume was achieved in 1944, and production continued until the final months of the war in 1945.

Alcoa (Aluminium), Texaco, and Standard Oil delivered through their branches in Spain, for example. Dow Chemical explained: “We don't ask what is done with our products; we are only interested in sales.” Pratt & Whitney and Boeing, with German carmaker BMW, produced engines for rockets and aircraft. ITT was involved in the manufacture of fighter planes, including Focke-Wulf aircraft, and produced radar parts and detonators for German bombs. Bendix supplied automatic piloting systems. The sewing machine manufacturer Singer switched to producing machine guns.

Thus, the Nazi military benefited from the high technical standards and mass production capabilities of US companies. After the blitzkriegs this will prolonge also the Nazi war against the Soviet Union, and at the same time the US corporations will expand their business through orders from the US government, both for the national rearmament of the US and for the lend-lease deliveries to the Allies like England and France, as well as to the Soviet Union (Pauwels, 2013: 235 and 266).

### **US Corporations: We are “Free of Jews”**

US subsidiaries also participated in the segregation of Jews after 1933. Ford declared in 1936 that it would “only work with Aryan personnel.” GM severed ties with Jewish suppliers. “Coca-Cola ice cold” banners hung next to the swastika during Goebbels’ propaganda speeches in the Sportpalast. Coca-Cola trucks accompanied Hitler Youth marches. Coca-Cola placed advertisements on state radio, in party newspapers, popular magazines, and in the leading anti-Semitic newspaper *Der Stürmer*. Coca-Cola acted as part of Hitler’s state, while also being part of the US state. IBM had bought the German data company Dehomag in 1925. With Hitler’s rise to power, sales in Germany skyrocketed. “We are dissecting the German national body,” declared the head of the IBM factory in Berlin, which opened in 1934.

### **Hitler’s Order for US Corporate Executives**

In 1937, Hitler established the Order of the German Eagle (DAO) to honor foreigners who rendered outstanding service to the German Reich. IBM boss Thomas Watson was one of the first to receive it: he had organized the 1937 annual meeting of the International Chamber of Com-

merce in Berlin with 2,500 delegates from 42 countries, under swastika flags in the Reichstag, the German parliament. Henry Ford received the order in 1938 on his 75th birthday. James Mooney, GM’s vice president, received the order that year.

### **The US Saves the 1936 Olympics for Berlin**

In 1931, the International Olympic Committee (IOC) awarded the 1936 Olympics to Germany. But starting in 1933, Jews were expelled from sports clubs in Hitler’s Germany. This led to worldwide protests against holding the Games in Germany. However, the president of the American Olympic Committee (AOC), Avery Brundage, organized the counter-movement: The real estate investor from Chicago was an avowed anti-Semite: “No Jews are allowed in my club in Chicago either.” He saw the boycott movement as a “Jewish-Communist conspiracy.”

IOC Vice President Sigfrid Edström also joined in: The head of the Swedish electrical engineering company ASEA did good business with Hitler’s Germany. The fascist Axis powers Italy and Japan, and the apartheid regime in South Africa, also promoted Berlin. The Games were a resounding success: the 1932 Olympics in Los Angeles served as a model for the elaborate mass media spectacle. Brundage rose through the ranks and became IOC president in 1952. In 1971, he still professed: “The Berlin Games were the most beautiful of modern times.”

### **Critical US Ambassador Replaced by Hitler Fan**

In 1933, Roosevelt appointed William Dodd as the new ambassador to Germany. The staunch liberal criticized Nazi Germany, prompting US cor-



Former President Hoover at the Reich Chancellery with Chancellor Adolf Hitler and Hugh Wilson, March 8, 1938  
(Photo: National Archives, 2017).

porations, Wall Street, and the State Department to push for his dismissal. Dodd was replaced in 1937 by Hitler fan Hugh Wilson (Dodd & Dodd, 1941: 174). Wilson praised Hitler for “making Germany resistant to communist influences and suppressing workers’ demands for higher wages.” Wilson then officially attended the party conferences of Hitler’s NSDAP party alongside the ambassadors of France and England.

### **Also, Financing Hitler Against the Soviet Union**

With the support of fascist regimes, US capitalists further developed their anti-communist global strategy, with the help of the Council on Foreign Relations (CFR), the leading private US think tank

for foreign policy, founded immediately after World War I. In 1939, the war aim was openly stated as “American Century!” and “American Imperialism!” (Panitch & Gindin, 2013).

To achieve this, the most important historical factor of the present, “the uprising of the international proletariat,” had to be fought. Thus, the CFR updated the strategy that President Wilson and his Wall Street advisors had already pursued in Versailles. The three fascist governments of Germany, Japan, and Italy formed the Anti-Comintern Pact against the “Bolshevik threat” and the Soviet Union. From 1939 onwards, the fascist dictatorships of Hungary, Franco’s Spain, Denmark, Finland, Croatia, Slovakia, Bulgaria, and Chiang Kai-shek’s China joined the Pact. Thus, the US capitalist elite had the same goal here as the fascist Anti-Comintern Pact.

### **Hitler's European War Bank – Led by Wall Street**

In 1930, Wall Street founded the Bank for International Settlements (BIS). The US had waived further repayment of reparations by the German Reich due to the “global economic crisis” (caused by the US). However, the BIS institutionalized the claim to the continuing receivables and extended the repayment period until 1986. The central banks of the US, Great Britain, Germany, France, Italy, Belgium, Japan, and Switzerland held shares in the BIS. The Soviet Union was excluded until 1945 and after (Trepp, 2013; Smith, 1989; Lebor, 2013).

The BIS was the first international bank for central banks – but it was not a state institution; it was a purely private bank. It was based in the financial haven of Switzerland, supported by the Swiss government and Swiss private banks. The BIS had extraterritorial status and was not subject to Swiss banking supervision. The first director, Gates McGarrah, was both director of the New York Federal Reserve Bank and of private corporations. When the US government prohibited the BIS's establishment as a purely private legal entity, Wall Street banks such as J.P. Morgan supported its private establishment and appointed McGarrah as their representative on the BIS and its head. He praised the BIS as “completely removed from any government or political control.”

#### **A Private Central Bank – and Antisemitic**

After Wall Street, Hitler's Germany provided most of the senior management. In 1933, German banker Carl Melchior was expelled from the board of directors because of his Jewish origins. Thus, the BIS became Hitler's war bank, led by Wall Street and opposed to President Roosevelt and his Jewish Treas-

ury Secretary, Henry Morgenthau. From 1938 onwards, the BIS participated in Hitler's Wehrmacht's blitzkriegs: it transferred Austria's central bank gold to the German Reich, then the gold from occupied Czechoslovakia in 1939, and finally the gold of France, Belgium, Luxembourg, the Netherlands, the three Baltic states, and Norway. In 1940, Harvard graduate and anti-Semite Thomas McKittrick took over the management. He came from the US bank Lee Higginson. The central banks of all warring parties became members of the BIS, including the three member states of the fascist Anti-Comintern Pact, Germany, Italy, and Japan, and the states occupied by Hitler.

#### **Laundering Stolen Gold and Shares for Nazi Germany**

The BIS converted looted gold and shares into foreign currency, enabling the Nazi regime to purchase goods essential for the war effort abroad, for example:

- \*tungsten for steel hardening in Portugal
- \*tungsten and products from Standard Oil, Texaco, Westinghouse, Chrysler, and Singer subsidiaries in neutral Spain
- \*cannons, ammunition, machine tools, and electronics in Switzerland, also from the Swiss subsidiary of Ford
- \*high-grade iron or steel, raw materials, copper, electronics, and ball bearings in neutral Sweden
- \*the products from US corporations in Germany
- \*chrome and cobalt in neutral Turkey
- \*iron or from Poland, Austria, and other products from South America.

The BIS also participated in the Aryanization of Jewish property. For example, the BIS diverted Aryanization profits from the Paris accounts of

Chase Bank (Rockefeller) and J.P. Morgan to the Reichsbank. Chase in Paris alone froze around 100 accounts belonging to wealthy Jewish shareholders in close cooperation with the Nazi authorities. The BIS maintained accounts in the private and central banks of the participating countries, including Switzerland and the US. Most of the gold was transferred to the US central bank in New York, partly to the Bank of England in London. The central banks – also the German Reichsbank - received dividends from the BIS profits.

### **US Production with Forced and Slave Labor**

The use of concentration camp prisoners was a matter of course for Ford and GM (Billstein et al., 2004). ITT and GE, major shareholders in aircraft manufacturer Focke-Wulf and AEG, were also among the employers of slave laborers, as were Coca-Cola and Kodak. More than 40 US companies used forced labour (Kahn, 2000). IBM provided data on war and prisoner transports in Europe, as well as on the registration of concentration camp prisoners (Black, 2001).

### **The Secret Service of the US banks**

“Neutral” Switzerland was also home to the European headquarters of the US war intelligence agency, the Office of Strategic Services (OSS). It was founded and headed by two prominent Wall Street lawyers, William Donovan and Allen Dulles. They, along with John Foster Dulles, also a Wall Street lawyer, secured the BIS and the secret deals of US corporations in Europe, even representing them against the Roosevelt administration.

The OSS maintained close ties with the BIS's senior management, particularly McKittrick and Per Jacobssen, the representative of the Swedish Riks-

bank and Swedish corporations and banks from the Wallenberg clan: Enskilda and SEB (banks), SKF (Steel), Ericsson (electronics), and Atlas Copco (compressors). They were among the most important suppliers to Hitler's Germany after the US and Switzerland. Jacobssen, like McGarrah, was a fundamentalist advocate of the “free economy”, which should operate nationally and globally and not be regulated by the states. He was therefore the chief economist of the totally private BIS from 1931 to 1956, making him the longest-serving member of the management team (Sweden and Jewish Assets, 1999).

The OSS and BIS were also very well informed about the extermination of the Jews. Still, they played it down (Petersen, 1996: 570), so that the State Department also played it down as Jewish propaganda. Thus, the US deliberately allowed the Holocaust to be completed, and protected only a few Jews who could prove they had sufficient assets and were therefore allowed to immigrate to the US.

### **No Bombing of German and US Arms Factories!**

The US and England bombed 131 cities in Germany, at the end of the war, but mainly the city centers. Half a million civilians were killed – the arms factories, both US and German, were not bombed (United States Strategic Bombing Survey, 1945).

The Wehrmacht was supposed to be well-equipped to fight the advancing Red Army. This was also evident in the well-known bombing of the city of Dresden at the end of the war in February 1945: British and US bombers dropped their deadly cargo only on the inhabited city center, as US bombers did a few months later in Hiroshima and Nagasaki.

### **From 1942: Short and Small Aid Also for the Soviet Union**

Since the 1920s, various US actors had supported Hitler financially, politically, and in the media. From 1935 onwards, US corporations had provided military and technological assistance. As a result, by 1941, the Wehrmacht had been victorious in its blitzkriegs and raids in the east (Austria, Poland, Czechoslovakia), the west (France, Belgium, the Netherlands, Luxembourg), and the north (Scandinavia). It had then occupied Greece and the Balkans. On June 22, 1941, the main war effort began: the war of annihilation and genocide against the Soviet Union. US corporations continued to supply Hitler's military openly, as the mutual declaration of war did not take effect until December 1941.

Stalin had already sent Roosevelt a list of necessary aid supplies in July 1941. At the end of 1941, the US Congress passed the Lend-Lease Act. But it was not until the Red Army stopped the Wehrmacht at Stalingrad in late 1942/early 1943 that serious deliveries began: machine guns, fuel, tanks, ships, aircraft, aluminum, medicines, food, in exchange for hard payment. But in 1943, Roosevelt and Churchill again rejected the opening of a "second front," i.e., the advance of their military in Europe as military support for the Soviet Union (Hariman & Abel, 1975: 74 and 215).

So the US opened this "second front," i.e., the landing of its troops in France, as late as possible, in June 1944, shortly before the end of the war, like at the end of World War I.

### **After the War: The Soviet Union is Again the Main Enemy**

Thus, Great Britain had received a total of \$41 billion in aid, while the Soviet Union had received

only \$11 billion, or a quarter of that amount (Schlauch, 1985: 149 and 155). Thus, the US government rejected Stalin's demand for aid in January 1945, after the war. The Soviet Union had been an ally for only about 3 years, and it had been a secondary, tactical ally. The support for all the anti-communist fascist dictators in Europe, including Hitler, lasted much longer. And especially, in contrast, the support given to Hitler's Germany has been, first of all, much more comprehensive, politically, economically, technologically, and in terms of the media, as well as in terms of scope, impact, and last but not least, duration. So, shortly after the war, the US government, under Roosevelt's successor, Harry Truman, declared the Soviet Union the fundamental enemy of the system once again, as it had been since 1918. So, the US, after the war, will leave about 98 percent of Germany's anti-communist potential and personnel from the Hitler era unpunished and continue to use them for its anti-communist goals against the Soviet Union.

And the US would not only deal with these German personnel in this way, initially with the help of the new separate state, the Western Federal Republic of Germany, which the US had forced into existence. Also, the US actors who had collaborated with and profited from the Nazi era went unpunished. They were not even mentioned at the US-organized, extensive Criminal Court in Nuremberg, which lasted from 1945 to 1949—also looted gold, looted shares, Aryanization of Jewish banks and corporations – no topic at all in Nuremberg! And this was the case also with the anti-communist personnel of the Nazi allies and of the states occupied by Hitler's Germany and their collaborationist governments, such as in France, Italy, Belgium, the Netherlands, Luxembourg, also Switzerland and so on – all against the common enemy, against the labour movement, against anti-colonial liberation

movements, against the People's Republic of China and so on – and mainly against the Soviet Union.

### **1945: Continuing the Anti-Communist War Bank**

That is why the US, with the help of the Marshall Plan and NATO, ensured that not only in the Nazi successor state, the Federal Republic of Germany, but also in the US and in the countries of Western, Northern, and Southern Europe, the vast majority of those who profited from and collaborated with the fascist regimes were protected from punishment: They were confirmed or reinstated in their leading positions in corporations, banks, the judiciary, the media, the military, the secret services, the sciences and, with some exceptions and the founding of new parties, also in politics (Rügemer, 2020: 64). The BIS, in cooperation with the OSS and its leading personnel – director McKittrick and chief economist Jacobssen from BIS, and Allen Dulles and John Foster Dulles from OSS – during the war, had prepared the postwar reconstruction of Europe under US guidelines. Thus, Hitler's transatlantic war bank was not dissolved when the World Bank and the International Monetary Fund (IMF) were founded in 1944 under US leadership, against the demands of US Secretary of the Treasury Morgenthau and the French and Soviet delegations. But even the well-known British economist John M. Keynes was in favor of continuing the BIS.

#### **BIS and the Marshall Plan**

Jacobssen remained chief economist of the BIS until 1956: Thus, the anti-communist Marshall Plan – the economic twin of NATO - was implemented through the BIS from 1947 onwards. The

Soviet Union remained excluded. Money from the Marshall Plan was released only after all left-wing and nationally conscious representatives, such as General Charles de Gaulle in France, had been removed from the governments of the recipient countries. In Greece, the US military first defeated the anti-fascist resistance movement, which was on the verge of victory. Between 1948 and 1952, tens of thousands of communists and anti-fascists were imprisoned, and over 1,500 were executed. Only after the monarchy had been reinstated and a government of former Nazi collaborators had been installed did the Marshall Plan funds begin to flow (Rügemer, 2020: 46).

#### **Protection of the Main Nazi Collaborators**

The BIS also credited the European Coal and Steel Community (ECSC), founded in 1951, also known as "Montanunion": It brought together some 150 corporations in the coal and steel industry that had cooperated profitably with the Nazi regime in Germany and the occupied states of France, Belgium, Luxembourg, the Netherlands, and Italy. Thus, they were saved from punishment, breakup, and nationalization, which the then-powerful anti-fascist parties and movements had demanded. The first High Commissioner of the ECSC was the US banker Jean Monnet, who, together with OSS and BIS, and with both Dulles and Jacobssen, had participated in the planning of postwar Europe. Thus, he became the "founding father of Europe" (Roussel, 1996: 517 and 708).

#### **BIS Carriers After the War**

Like Jean Monnet, leading personalities of the BIS became activists of the US-led "reconstruction" of Europe after the War:

In 1946, McKittrick returned to Wall Street as vice president of Chase Bank, which, through its merger with the Bank of Manhattan, became the largest US bank.

Allen Dulles became head of the CIA, the successor of the OSS, and continued to fight against the “Bolshevik threat”.

John Foster Dulles, fighting the same enemy, became head of the US State Department.

The German Karl Blessing, who had been a member of the BIS executive board, became head of the central bank of the provisional, separate state of the Federal Republic of Germany, imposed by the US.

BIS chief economist Jacobssen left the BIS in 1956 to become director of the International Monetary Fund in Washington, a position he held until he died in 1963.

### **BIS-Tradition Until today: The New Nobel Prize in Economics**

In 1968, the Swedish Riksbank, which had been a founding member of the BIS and represented by Jacobssen, initiated the Nobel Prize in Economics, which was added to the Nobel Prizes, most notably the Nobel Prize for Peace, in memory of the Swedish inventor and businessman Alfred Nobel. But this reference is incorrect, a fake. Nobel, who lived in the 19th century, was not a neoliberal.

This new Nobel Prize can be seen as a long-term recognition of the doctrine practiced by the BIS and its chief economist, Jacobssen. The prize responded to the rise of this economic doctrine called “neoliberal” in the US (“Chicago Boys”) after World War II. It also prioritized the freedom of capital over the state. The foundations of the “scientific” elaboration of the neoliberal doctrine in detail were laid in 1938 at the meeting in Paris organized by the US ideologist Walter Lippmann: In 1917 he had formulated the public justification for US president Wilson as to why the US now had to intervene in the European war to se-

cure the capital gains of Wall Street, Standard Oil, Dupont and United Steel. In Paris in 1938, Roger Auboin also played a leading role: he was the head of the French central bank and, at the same time, the head of the BIS (Rügemer, 2025: 229).

Thus, the new Nobel Prize in Economics was awarded primarily to representatives of the pro-capitalist, neoliberal doctrine, e.g., to Friedrich von Hayek and Milton Friedman, who advised the US governments of Richard Nixon and Ronald Reagan and, among others, the fascist dictatorship of General Pinochet in Chile (Valdés, 1995).

### **Conclusion**

This article demonstrates that US capital systematically supported Hitler’s Germany as part of its anti-communist strategy since 1918. Beyond merely arming the Wehrmacht, Wall Street banks and multinational corporations—Ford, GM, IBM, Standard Oil—financed the Nazi war economy through the Bank for International Settlements (BIS), facilitated the laundering of looted gold and Jewish assets, and participated in slave labor exploitation. This collaboration continued throughout the ostensibly neutral period and wartime, revealing that the primary US objective was not defeating fascism but destroying the Soviet Union by utilizing Hitler as a proxy. The limited post-Stalingrad Lend-Lease aid and deliberate delay of the Second Front reinforced this strategy. Post-war, the US protected Nazi collaborators, integrated the BIS into the Marshall Plan, and consolidated its imperial hegemony while excluding the USSR. Thus, Hitler’s war of annihilation against the Soviet Union functioned as a proxy war that served Washington’s imperial ambitions, establishing a pattern of using fascist regimes to eliminate socialist threats while securing American dominance over Europe. 

## Notes

<sup>1</sup> For more detailed information and sources on the topic of this article, see: Rügemer, W. (2025). *Fatal Friendship: How the USA Conquered Europe, First Phase: From World War I to World War II*. London: Canut Press International. (also in German: Verhängnisvolle Freundschaft, Köln 2023; French: Amitié fatale; Hamburg 2024; Spanish: Una Amistad condenada, Hamburg 2025; Greek and Chinese edition in 2026).

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# Possible Alliance Between “Right Wing” and “Left Wing” Against the US Occupation in Japan




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## ABSTRACT

In the election for the upper house on July 20, 2025, the Sanseito Party achieved a significant success in Japan. There is one more difficulty on the side of the Sanseito Party, as its populist purpose provides no reason to ally with the Communist Party. The same applies to other countries, such as Germany, France, England, and the Netherlands, among others. Exclusionism of the newly emerging “far-right parties” cannot be shared by the communists. If the communist parties want to form an alliance with them, they will lose many of their supporters. However, under the situation of Trump’s America First strategy, JCP has an objective role to strengthen its anti-US characteristics. In this case, JCP and the Sanseito Party will compete with each other to be more against the US. By identifying the similarities and differences with the political situation seen in Western countries, we must explore the direction we should take.

**Keywords:** exclusionism, Japanese Communist Party, right wing and left wing in Japan, Sanseito Party,

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## Introduction

IN THE ELECTION FOR THE UPPER HOUSE on July 20, 2025, the Sanseito Party achieved a significant success in Japan. While it took only three seats three years ago, it has taken fourteen seats this time. In terms of the number of votes in the proportional election districts, its number was the next to that of the major ruling party, the Liberal Democratic Party. Therefore, it has now become a significant topic of discus-

sion in almost all Japanese media on how to understand this phenomenon. This is the starting point of the discussion on my topic: Possible Alliance between “Right wing” and “Left wing” against the US occupation in Japan. Because this party prioritized the diplomatic issue, it differed from other internal matters, such as consumption tax rates, vaccine problems, and inflation problems.

This paper discusses the attention-getting issue in Japan and presents my provocative idea.

### **How to Understand the Sanseito Party's Big Wave**

To tell the truth, because this party's slogan "Japanese first" is regarded as a new type of exclusionism like AfD in Germany, significant reactions by the media are very negative, especially in the liberal media, and it is reasonable. However, in my opinion, its attitude also has a possible meaning against the US, which has too many military bases in Japan and now puts intense pressure on increasing military spending and reducing the trade surplus with the US. Such a US attitude is unacceptable to the Japanese people.

However, what is difficult to understand is the newly emerging party's characteristic, which is that their main external target is not the US but China and other countries' workers and tourists. This point has become the most crucial populist policy, as it has caused irrational enthusiasm for exclusionism among the Japanese. I believe this type of significant political change can be observed in Taiwan in 2014 and Hong Kong in 2019. Taiwan's Glass-Roof Movement had caused a big wave in 2014, as the "Sunflower Movement" selected a new target against the investment and service agreement with mainland China. Hong Kong's student movement also caused a significant wave in 2019 against the extradition criminal regulations, as a form of alliance with the treacherous capitalists who commit crimes on the mainland. Their movement in 2014 to call for a "true universal suffrage system" was a form of class struggle against capitalists. These two exclusionist movements had the potential to spark people's enthusiasm in the face of their extremely challenging economic circumstances.

Japan has a long history of coexistence with China and has imported many cultural traditions from China. Buddhist religion, Confucianism, political systems, and Chinese characteristics. In this sense, intelligent people respect China, and many business people also want to maintain a good relationship with the Country. However, while the late Qing dynasty's exclusionism had delayed China's modernization, Japan had become the nearest imperialist power and invaded China. Additionally, Japan's economic superiority over China in the post-war period sparked enthusiasm for the perceived superiority of the Japanese people. It has evolved into Japanese exclusionism against China, notably as China's economic power has surpassed that of Japan. It's the result of a kind of "complex" feeling. I think it's very similar to the European complex with the Jewish people before WWII, and now with the Muslim people.

### **The Communist Party's Original Standpoint**

However, one of the Sanseito Party's founders, Joichiro Shinohara, was a member of the Communist Party, and one of his purposes in establishing this party was to oppose the US occupation. In this sense, the Sanseito Party's proposal for a new constitution includes a slogan, "Free Japan from all the foreign bases," which implies the dissolution of the US-Japan Security Treaty. If we focus on this point, it's very revolutionary. This slogan is maintained by only two political parties: the Sanseito Party and the Japanese Communist Party (JCP).

As I mentioned above, the Japanese Communist Party declared such an anti-US slogan as a basic task of the Japanese revolution soon after the anti-US great campaign in 1960 by identifying two basic enemies in Japan: the Japanese monop-



An aerial photo shows the United States Forces Japan's Makimino Service Area and Air Station Futenma in Okinawa Prefecture, December 29, 2024 (Photo: CGTN, 2025).

oly capital and the US imperialism, and Joichiro Shinohara also learned this slogan when he was a communist member. Of course, I've also learned and accepted it from the bottom of my heart, due to the real situation in Japan.

However, the real focus of the Japanese Communist Party has shifted from this slogan to the slogan of maintaining the peace constitution, especially Article 9, which renounces war and prohibits the holding of military forces, based on the widely held public opinions of the Japanese people. However, it had a problem because Article 9 has been a part of the US-Japan Security Treaty. The US-Japan Security Treaty has led Japan to reduce its military expenditure, and therefore, many supporters of Article 9 have also been support-

ers of the US-Japan Security Treaty. The Japanese Communist Party founded the “Article 9 Association” in 2004, and one of the proposers was the wife of the former prime minister Takeo Miki, who was famous as a pro-US Article 9 protector. It was a kind of alliance between the light armament independence group and the light armament subordination group, and allowed the present subordination to the US.

This standpoint differs from the original position of the Japanese Communist Party, which allowed for an independent self-defense force but opposed the US occupation. This type of strategic shift is illustrated in the figure below. The Japanese Communist Party's strategy has been shifted from the A-B bloc to the A-C bloc.

**Figure: JCP's Strategic Shift from the A-B bloc to the A-C bloc**

	light armament	heavy armament
Independence	A	B
subordination	C	D

(Figure: Onishi, 2026).

Of course, such a shift also had a specific reason in real politics, because the US's strategic theory has been changed from the "bottle cap theory" to the "burden sharing theory," and the true meaning of the latter theory is to accelerate the Japanese remilitarization. That's why the Japanese Communist Party changed its strategy to the A-C. The mainstream movement against heavy armament had become A, not C. In this sense, we should understand this shift.

However, what we should understand more is that the US requirement has become dramatically more radical under the Trump administration, and Trump also wants to withdraw the US army from the Eastern Globe. Furthermore, under the new condition where the Chinese military force has grown so rapidly and no longer needs any "bottle cap" from US pressure. Therefore, even if Japan wants to accelerate its military expansion independently after the dissolution of the US-Japan alliance, it alone cannot initiate war with China. In this sense, the most crucial task for the East Asian peace has become not the Article 9, which prevents the Japanese military expansion, but the dissolution of the US-Japan alliance. In other words, the US withdrawal that Donald Trump wants from the bottom of his heart.

### What Makes JCP Stick to the Former Strategy

Therefore, we should change our peace strategy from the former one to the new one. That is the A-C strategy to the A-B strategy, and the Sanseito Party is reflecting this need to some extent, even if its anti-US declaration was not explicit at the last Upper House election.

However, in my opinion, this shift- even if it is a return to the original strategy- is very difficult for the Japanese Communist Party, because its fundamental theoretical standpoint has changed from communism to liberalism, in fact. Or in other words, the real and actual supporters have been changed from the people trained in communist ideologies to the people just trusting in liberalist ideas, which focus on human rights and democracy only. This fundamental shift was triggered by the so-called "failure of socialism" around 1990.

Of course, each liberal idea does not have any problem, because the results of the severe capitalist exploitation and imperialist oppression all violate the liberal ideas. These ideas can become the tool of our struggle. In fact, I'm now strongly supporting a liberal Democrat in the general election to reform US-Japan relations. It is truly necessary for Japan's new diplomacy.

However, we cannot stop at that "reform" but should go further to a "revolution" under these

challenging circumstances. For example, almost every month, the Japanese people are suffering violent crimes, especially in the Okinawa islands, where 70 percent of the US military forces in Japan are concentrated, and three-fourths of the rape criminals are not prosecuted due to a kind of extraterritoriality of the US soldiers. This ratio, three-fourths, might be underestimated because victims are not willing to report such incidents. That is why we need the dissolution of the US-Japan Security Treaty right now, and there are only two parties: the Communist Party and the Sanseito Party, even if the latter's claim was not clear in the last election campaign.

**Because liberalism focuses on the value of "human rights" and democracy, it does not consider the real living conditions of the people themselves. They say: "We gave you the right to vote. Therefore, we do not concern ourselves with the outcome of governmental policies. It's a matter of your self-responsibility." This way of thinking is opposite to the Marxist ideas that focus on the matter of death or life as the "result" of real living.**

In fact, I should confess that we Japanese communists claimed "Yankee go home!" in front of the US bases, and this slogan sounds like an exclusionist slogan. Yes, we were exclusionists like

the Sanseito Party, just having the difference that our target is the US, while the Sanseito Party's real focus is China, at least in appearance.

Another type of problem caused by liberalism is its ideological bias for Western values and against socialist ideas. For example, because liberalism focuses on the value of "human rights" and democracy, it does not consider the real living conditions of the people themselves. They say: "We gave you the right to vote. Therefore, we do not concern ourselves with the outcome of governmental policies. It's a matter of your self-responsibility." This way of thinking is opposite to the Marxist ideas that focus on the matter of death or life as the "result" of real living. In other words, the Marxist concept of human rights differs significantly from the liberal concept. For this purpose, political rights are sometimes restricted, as a more critical point is not the process but the result. I think the latter philosophy is better for the people, but if we cannot understand this type of advantage in Marxism, people tend to support Western liberalism. This is the reason why many people want to be friends with Western countries and hate the socialist countries.

The Japanese Communist Party does not have any ethnic bias because of its internationalism, and many members have a sympathy for China because of its deep understanding of the modern history of the Japanese invasion. It is true. But once it is affected by the liberal bias, it tends to be a member of the Western countries, and keep a distance from the communist countries like China, Cuba, and Vietnam. In this case, its claim against the US becomes very weak, while that against China becomes very strong. That is why the Japanese Communist Party's anti-US campaign has become very weak, and the Sanseito Party has stolen its slogan.

### JCP's Original Two-Stage Revolution Theory

Besides, there is one more difficulty on the side of the Sanseito Party, as its populist purpose provides no reason to ally with the Communist Party. The same applies to other countries, such as Germany, France, England, and the Netherlands, among others. Exclusionism of the newly emerging “far-right parties” cannot be shared by the communists. If the communist parties want to form an alliance with them, they will lose many of their supporters. In this sense, the title of this paper is too optimistic.

However, as I mentioned above, under the situation of Trump’s America First strategy, JCP has an objective role to strengthen its anti-US characteristics. In this case, JCP and the Sanseito Party will compete with each other to be more against the US. The July 15, 2025 edition of the Nikkei Shimbun, Japan’s most popular business newspaper, reported that a group led by Vice President J. D. Vance and Secretary of State Marco Rubio, known as the “New Right” or “New Conservatives,” is adopting policies that were once the exclusive domain of the left, such as state-led industrial policy, empha-



People rally in a protest against the G7 Summit in Hiroshima, Japan, May 21, 2023 (Photo: Xinhua, 2023).

sis on labor unions, stricter regulation of large corporations, and protectionist trade policies. Furthermore, they have jointly submitted a bill in March to strengthen labor unions with Senator Cory Booker, a Democrat who is close to Senator Bernie Sanders. They could not choose the liberals in the Democrats, but the so-called "democratic socialists" as friends.

Therefore, whether these two Japanese parties can cooperate or not, they must sharpen their anti-US standpoints. If the JCP does not do so, it will lose its value, and if the Sanseito Party does not do so, it will also lose its popularity in the newly emerging situation.

As far as JCP is concerned, what we must remember is that it had a two-stage revolution theory: a democratic revolution initially, followed by a socialist revolution. One of the most critical points of the first stage was the anti-US revolution for independence. Furthermore, this sequence of revolutions is identical to the Chinese Revolution. First, as the anti-Japan revolution for independence, and then went to the anti-feudalist revolution for internal liberation. In this case, the Communist Party of China formed an alliance with the nationalist party at the first stage. It should be a lesson for us.

In any case, it is essential to understand how the Japanese social contradictions, as reflected in the big wave of the Sanseito Party, should be addressed, and how anti-US slogans should be handled. By identifying the similarities and differences with the political situation seen in Western countries, we must explore the direction we should take. 🌸

## Notes

<sup>1</sup> There are many reviews on this big wave of the Sanseito Party. The Japanese Communist Party's review can be read in Sawada (2025).

<sup>2</sup> The basic idea of this paper is first expressed in Onishi (2025b).

<sup>3</sup> There are over one hundred US military bases in Japan, and the soldiers in those bases are committing crimes such as murders, robberies, and rapes almost every day. Furthermore, because they are under extraterritorial jurisdiction, most of them are not being indicted, and even if they are convicted, they can return to the US.

<sup>4</sup> I've revealed this point in Onishi (2021).

<sup>5</sup> Now, he is not a party member.

<sup>6</sup> I've discussed this point in Onishi (2025a).

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## LI BAI \*



*\*Li Bai (also known as Li Po, 701–762) is one of the most eminent poets of the Tang Dynasty and a central figure in the classical Chinese literary canon. Revered as the “Immortal Poet”, Li Bai symbolizes spiritual freedom, harmony with nature, and intuitive wisdom within Chinese culture. Distancing himself from Confucian orthodoxy, he drew heavily on Daoist philosophy; his poetry is infused with recurring motifs of the moon, mountains, wine, travel, and solitude, through which he constructs a boundless, transcendental poetic universe. By reshaping the traditional “lüshi” and “yuefu” forms, Li Bai loosened rigid formal constraints in favor of lyrical spontaneity and emotional intensity. This stylistic transformation had a lasting impact on the language, imagery, and aesthetic orientation of Chinese poetry in the centuries that followed, establishing him as both an artistic and spiritual model for later poets. Li Bai’s influence extends far beyond China. Through the translations and adaptations of figures such as Ezra Pound, Judith Gautier, and Arthur Waley, his work entered modern world literature and introduced Eastern lyrical sensibility into Western poetic discourse. In Turkey, poets including İlhan Berk and Cemal Süreya have acknowledged his imaginative freedom and cosmic vision. Li Bai’s poems remain among the most memorized and widely translated in the world.*

## The Hard Road\*\*

Pure wine costs, for the golden cup, ten thousand coppers a flagon,

And a jade plate of dainty food calls for a million coins.

I fling aside my food-sticks and cup, I cannot eat nor drink...

I pull out my dagger, I peer four ways in vain.

I would cross the Yellow River, but ice chokes the ferry;

I would climb the Taihang Mountains, but the sky is blind with snow....

I would sit and poise a fishing-pole, lazy by a brook –

But I suddenly dream of riding a boat, sailing for the sun....

Journeying is hard,

Journeying is hard.

There are many turnings –

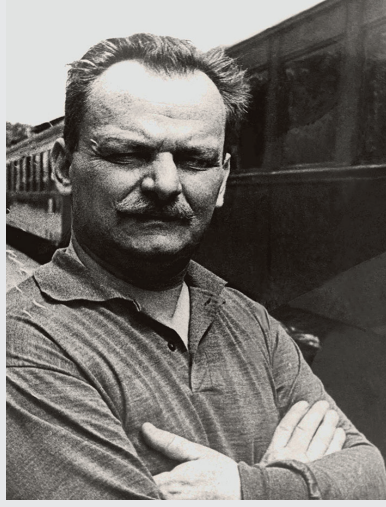
Which am I to follow?....

I will mount a long wind some day and break the heavy waves

And set my cloudy sail straight and bridge the deep, deep sea.



## MELİH CEVDET ANDAY\*



*\*Melih Cevdet Anday (born Muzaffer Melih; 1915, Çanakkale – 28 November 2002, Istanbul) was a Turkish writer, poet, novelist, translator, and journalist who wrote numerous works in various genres, including poetry, novels, essays, plays, and translations. After graduating from high school, he briefly studied at the Faculty of Law. He later enrolled at Ankara University's Faculty of Language-History and Geography. However, his studies were interrupted because he was working as a civil servant at the State Railways. Anday's poem 'Ukde' was published in Varlık Magazine in 1936. His poems and writings were published in magazines and newspapers such as Ses, Yaprak, Yeditepe, Papirüs, Yeni Ufuklar, Yeni Dergi, Soyut, Ataç, Dönem, Yön, Saçak, 2000'e Doğru, Aydınlık, Tercüman, Yeni İstanbul, Vakit, Ulus, and Cumhuriyet. He established the Garip movement in 1941 with Orhan Veli and Oktay Rifat, a poetic movement that brought new forms and expressions to Turkish poetry, and published their first joint poetry collection. At the suggestion of the Minister of National Education, Hasan Ali Yücel, he began working as a civil servant at the Publications Directorate of the Ministry of National Education. Between 1953 and 1955, he edited the literature and arts page of the Akşam newspaper. In 1956, his poetry collection Yan Yana was published. This book was investigated. Between 1979 and 1980, he worked as an Education Advisor at UNESCO Headquarters. He has also translated numerous poems into Turkish. Some of his books are as follows: Garip (1941, Orhan Veli ve Oktay Rifat'la birlikte), Sözcükler (1978), Ölümsüzlük Ardında Gilgamiş (1981), Tanıdık Dünya (1984), Güneşte (1989), Yağmurun Altında (1995).*

## The Telegraph Office\*\*

You won't be able to sleep.  
The dire state of your homeland,  
Will awaken you with sounds.  
You will sit and write.  
Because you are no longer the old yourself,  
Now, you are like an abandoned telegraph office.  
Constantly receiving sounds,  
Sending sounds.  
You won't be able to sleep,  
Until the state of your motherland improves,  
Until the state of the world endures.  
Sleep won't come to your eyes.  
You won't sleep,  
Like a foghorn in the dark night.  
Until the daylight breaks.  
Dignified, calm, plain,  
You will ring.



## ZHANG YAXIN\*



## Revolutionary operas

*\*Revolutionary operas or model operas were a series of shows engineered during the Cultural Revolution (1966–1976) in China. They were revolutionary and intended to glorify the People's Liberation Army, the bravery of the common people, and Mao Zedong and his thoughts on the victory of communism in China. Between 1969-74, Zhang Yaxin, a photographer from the Xinhua News Agency, photographed the entire series of the operas, which to this day serve as a benchmark for new Chinese art. And the photos themselves became masterpieces, showing all the energy of the actors and the very spirit of the times.*

Source: [visualhistory.livejournal.com/76487.html?ysclid=ml6eknrlos624962847](https://visualhistory.livejournal.com/76487.html?ysclid=ml6eknrlos624962847)

## LIU CHUNHUA\*



Chairman Mao en Route to Anyuan, 1967, oil on canvas

*\*Liu Chunhua's work portrays a young Mao, surrounded by luminescence, walking through a picturesque hilly landscape under a clear morning sky. His destination is Anyuan, where he will lead a miners' strike. The immortal realms, or the extraordinary place covered in the misty fumes of the mountain, are the kind of landscapes often seen in Chinese painting. In this one, hints of modernity are especially evident in the smoky landscape; a telephone pole is visible in the lower left corner of the composition, and water flows from a dam on the right. And the painting is also an impressive depiction that shows that Mao had the capacity to lead the country to revolution; His face, clenched fist, and entire posture express steadfastness and determination.*

## SHANGHAI PEOPLE'S FINE ARTS PUBLISHING HOUSE PROPAGANDA POSTER GROUP\*



Ten thousand households, one family, spring fills the city (万户一家春满城), (1960 May).  
105.5x75 + 106.5x76.5 cm.

*\*Shanghai People's Fine Arts Publishing House is a national-level professional fine arts publishing house, founded in 1952. The publishing house specializes in publishing painting albums on fine arts and photography, periodicals, comic strips, pictures, wall calendars, life books, travel reading materials, reference books, and tool books. Over the past more than seventy years, the publishing house has always followed the principle of "spreading knowledge and accumulating culture". Relying on its own efforts, Shanghai People's Fine Arts Publishing House has published more than 30 thousand titles and received about 300 awards at home and abroad..*

Source: <https://chineseposters.net/posters/pc-1960-l-001-2>





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## The Political Economy of Socialism with Chinese Characteristics

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