

THE CHINESE ROAD TO WORLD SUPREMACY

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Abstract. *The paper begins with addressing the current state of Chinese economic development that combines the possibility of the socialist system to concentrate its forces on the major objectives of economic and social life with the advantage of the market economy to be able to distribute and use resources more efficiently. In China, today we find socialism with capitalist face, in which modernism does not replace the millenary traditions of this ancient people, and the main pillars of Chinese economic growth are investment and trade. The general objectives of the Chinese state in the contemporary era are highlighted, as Hu Jintao mentioned in the Report to the 17th Congress of the Chinese Communist Party. There is a distinction between modern war and classical war, and it shows the strengths or weaknesses of the Chinese economy. Starting from what should be how globalization is understood today; the conclusion is how the chances of China's global supremacy increase.*

Keywords: direct investment, preferential tax regime, energy independence, model of economic development, protection state, economic liberalism, modern war, globalization

JEL Code: E31, F13, F21, F31, F43, F62, G28, H63, L16, N15, O21, P41

1. Introduction

The world's geo-political and economical supremacy was a desideratum of world powers before maps and gunpowder (Jeff Desjardins, Visual Capitalist).

69 years after the proclamation of the People's Republic of China and a rapid economic development at the end of the 20th century and the beginning of the 21st century, whose average annual growth rate reached about 10% by 2009, followed by close to 7% in the last 8 years ago, this country has become the second largest economic power in the world after the US, ahead of Japan and Germany, if we take into account nominal GDP and without considering the EU economy as one economy. Following IMF estimates last year, the chart below (see Figure 1) is the result. In this, it is noticed that after China, which had the highest real GDP growth, it is estimated that the country will be ahead of the first position if it is confirmed the estimate made in the next period is India. Two of the oldest civilizations in the world have had a good time since the late 1980s, the fastest annual growth rates of this important indicator. As such, China contributes today with an annual average of about 15% to global growth, and in some respects also exceeds the US. Of course, the question arises: what is the secret of this

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"miraculous" development in a relatively short historical period, especially after 1978, when China began to open up its policy of openness and committed itself to profound reforms.

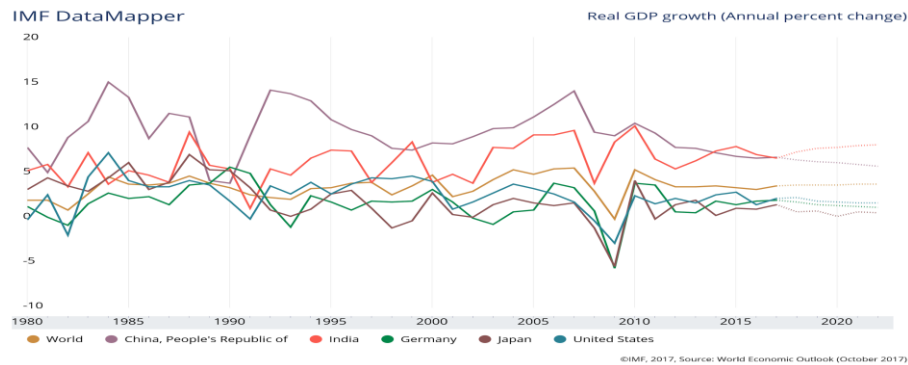


Fig.1. Evolution of real GDP for the first major world powers in 1980-2020.

The secret of this "miraculous" development is the developmental path chosen by the Chinese leadership that combines the possibility of the socialist system to concentrate its forces on the major objectives of economic and social life with the advantage of the market economy to be able to more efficiently distribute and realize resources. The fact that this choice is successful results from the fact that it corresponds to the Chinese realities and the concrete results obtained.

2. The current state of the Chinese economy

Today China has a GDP per capita of over 9,000 \$. The evolution in relation to the US international dollar for the period 2012-2016 is shown below (see Figure 2), China ranked 78th in a world ranking and ranked 17th in the G20.



Fig. 2. China – GDP per capita between 2008 and 2016.

The fact that industrialization in China began with over 100 years of delay and its population is 10 times higher than that of Russia, explains why GDP per capita is considerably lower on the one hand, and on the other hand the small number of

workers in secondary and tertiary sectors is one of the causes for which India's GDP per capita is about 5 times lower than that of China, although the two countries have had comparable economic growth in recent years and have comparable numerical populations. If we take into account the estimation that is made for GDP based on purchasing power parity (PPP), meaning more specifically having the international dollar as monetary unit, we can understand these complex phenomena. After a peak of nearly \$ 4,000 billion in 2014, China has a \$ 3,000 billion foreign exchange reserve, the world's number one, the population living below the poverty line has fallen from over 550 million in 1980, to 40 million (see diagram below, Figure 3), which is a very special achievement, and the average life expectancy has risen from 35 years in 1949 to 75 years in 2017. China's total trade volume amounted to about 4,100 billion US dollars in 2017, of which about 480 billion to the European Union, 570 billion to US and 84 billion to Russia. China has now ranked No. 1 among the world's largest exporters, overtaking the US and Germany in recent years, and Chinese imports have reached about 1,800 billion US dollars, keeping it in second place after US.

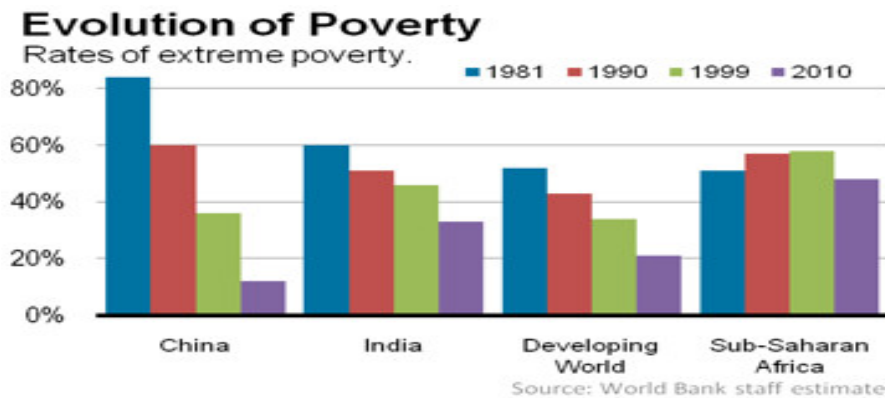


Fig. 3. Evolution of the population below the subsistence limit.

We cannot say the same about Romanian-Chinese trade. Thus, if Chinese exports to Romania are about 3.8 billion US dollars, Romanian exports to China are about three times lower. China has become the second trading partner country of our country outside the EU, after Turkey. Chinese investments in Romania are about \$ 440 million, but it should be borne in mind that for the period 2005-2016, the total Chinese investment abroad will reach US \$ 760 billion, or 1300 billion if we take into account building contracts. China remains the main Asian partner of Romania but is ranked 19th in the list of foreign investors. China's trade surplus will reach about \$ 600 billion in 2018, which requires increased investment abroad and encouraging domestic consumption. This surplus and foreign exchange reserve of about \$ 3 trillion led to an appreciation of the domestic currency, which gives the possibility of massive import of advanced technology. In this way, China will no

longer focus on economic growth, but on sustainable, sensitive development, in order not to sacrifice the ecological environment by consuming too much energy and pollution. Although China is a developing country, China has understood how important road infrastructure is for its economic development, and if there was no motorway in the early 1990s, today it has about 130,000 kilometres of the ultra-modern highway, holding its first position world by this criterion. A difficult problem for China was the provision of food for the population. Through its outstanding efforts, although it has only 10% of the globe's arable land, it has managed to produce about 570 million tonnes of cereals, providing food for 22% of the world's population. Arable land accounts for only 15% of the country's total area. We can say that in China today we find socialism with capitalist face, in which modernism does not replace the millenary traditions of this ancient people, and the skyscrapers do not shade away the imperial palaces and gardens, the temples or the Chinese Wall. The Chinese leadership is aware that the course of the economy will be influenced by the current international conditions. Thus, Chinese former Prime Minister Wen Jiabao said that 2008 was the most difficult for the national economy, due to global uncertainties and the problems faced by the local market (accelerating inflation at the peak of the last few years, the decline of the stock market, the emergence of some interruptions in power supply due to extreme weather conditions, etc.). Of course, this has forced the tightening of monetary policy conditions to combat inflation and reduce economic growth.

The official inflation target was 3.0% in 2017. The evolution of this indicator for the period 1994-2018 is shown in the diagram below (see Figure 4).

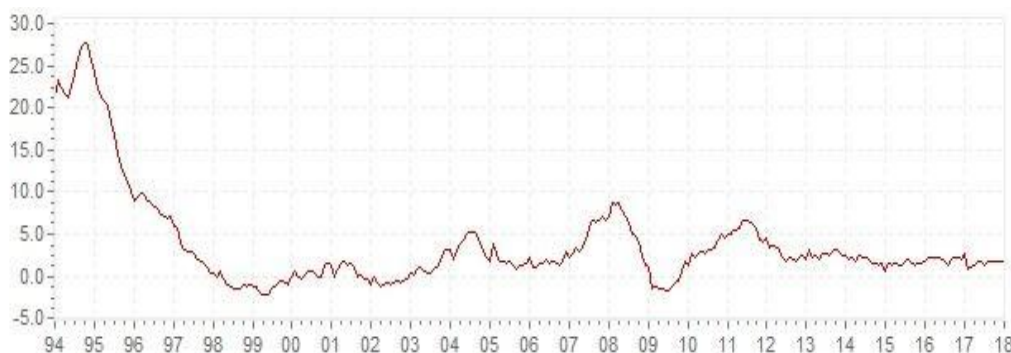


Fig. 4. Evolution of inflation during the period 1994-2018.

Despite all the difficulties, China's economy is continuing its expansion. Thus, in the period 2003-2007 the growth rate exceeded 10%, being in the next ten years around 7%.

According to the National Bureau of Statistics, GDP in 2007 was 2330 billion euro (24.660 billion yuan or \$ 3410 billion), reaching 8 billion dollars in the next 10 years (see Figure 5).



Fig. 5. The evolution of China's GDP over the period 2008-2016.

In this way, China, ranking 10 years ago after the US, Japan and Germany, occupies the 2nd place after the USA, ahead of Japan, Germany and France. For the 2018 China State Information Center estimates GDP growth of only 5.8%. Of course, foreign direct investment, which in 2016 amounted to \$ 133.7 billion, has also contributed to this growth, as the Chinese Ministry of Commerce points out, a figure that exempts investment in the financial sector. It is worth mentioning that after the accession of China to the World Trade Organization in December 2001, foreign direct investment, other than the financial sector, was over one billion per week. Although the Chinese authorities have begun introducing a number of restrictions on foreign investment in certain sectors of activity (energy, mining, etc.), the level of these investments will not decrease but will be redirected to sectors other than the cheap manufacturing sector proved to be the preferred foreign investor target in the past. Thus, in order to avoid overheating the Chinese economy, the State Commission for Development and Reform has set to restrict foreign investment in the real estate and financial sectors, oil and rare materials industries in the manufacturing industries where China has the capabilities and cutting edge technology and so on. If foreign investments in cutting-edge technologies and the production of advanced materials and equipment are welcomed, mineral resources, small and medium-sized refineries, copper processing plants, zinc processing plants, or gold, silver and platinum processing are prohibited. There is also limited investment in real estate projects in hotels, villas, office buildings and shopping centres, precisely to limit the rise in prices on the real estate market. Technology has contributed 57.5% to the 2017 growth. An example in the sense of the above is the intentions to expand the Chinese communications equipment manufacturers market Cisco Systems Inc. which has already invested \$ 8.5 billion, with more than \$ 16 billion in investment. On the other hand, China Investment Corp., which had since its \$ 200 billion rise, will avoid acquisitions by oil companies, foreign airlines or telecoms companies, with two-thirds of its funds being invested in banks controlled by the Chinese state. Also, since 2008, preferential tax regimes have been abolished for

some companies, and employers will be forced to provide more workers with long-term employment contracts that will make their dismissal more difficult. But if we compare China's foreign investment, encouraged by the Beijing authorities with foreign investors, we will see that in 2016 they were about \$ 90 billion, which represents 2/3 of the inputs.

China has become one of the largest exporting countries in the world. The huge trade surplus is causing a series of conflicts with the European Union and the US. Against the background of the appreciation of the yuan in 2008, there has been a moderation in exports and a revival of imports, especially for energy sources. Thus, amid the growth of the domestic economy, China's energy consumption over the last 40 years has risen on average by 5% per year, while GDP has risen on average by 9.6% annually. We note that the energy sector is fuelling an economy that is growing almost double this. China was the world's second largest energy producer in 2008, with 2.38 billion tons of coal, 184 million tons of oil and 58.55 billion cubic meters of natural gas; however, 43% of the oil consumed in 2005 came from import. At the same time, China is the second largest consumer of energy in the world, equivalent to 2.46 billion tonnes of coal in 2006 and it is estimated that by 2020 the oil demand will reach 450 million tonnes, of which 250 million tonnes will be imported. In this situation, the Chinese authorities have adopted a policy of 20% reduction in energy consumption since the end of the last decade as compared to 2005. In order to ensure its energy independence, China actively promotes nuclear energy. If in 2008 only 9 nuclear power plants with a capacity of 6990 MW were in operation, in 2017 there were 37 nuclear reactors with a capacity of 32.4 and another 20 units under construction with a capacity of 20.5 GW and in 2020 will reach a capacity of 58 GW.

China is currently ranked No. 4 in the world by the total installed nuclear power capacity and the third one after the nuclear energy generated. It is natural for China's leadership to take into account that the Asia-Pacific area itself held about 3% of global oil reserves in 2006, 8% of natural gas and 33% of global coal reserves, but ranked second in the world after North America in terms of energy consumption by 29.5%. In this context, China holds about 31% of its oil consumption, followed by Japan by 20% and the gap between consumption and oil production is about 3.76 million barrels per day although it holds 8.1% of world refining capacity and 7.5% of total oil imports. Under these circumstances, the share of coal in total energy consumption decreased from 76% to 64% over the past 30 years. The Chinese government has eliminated the fiscal facilities for coal exports and imposed export tariffs. Although coal production has increased from 998 million tonnes in 2000 to around 4 billion tonnes in 2016 (see Figure 6 below), coal exports have fallen from 82.9 million tonnes in 2003 to 2.15 million tonnes in 2007, and the coal provides around 70% of electricity production.

China has not been outdone as far as space research is concerned. With the successful launch of the Shenzhou-5 Space Shuttle in 2003 and sending China's first cosmonaut into space, China has become the third country in the world, after Russia and the US, who can send astronauts to the alien space, and with the launch of the Shenzhou-6 Space Shuttle in 2005 with a man on board, China has gained the status of great astronomical power in the world. Of course he is launching spacecraft with several people on board for longer periods, launching a space laboratory, and finally installing a permanent space station.

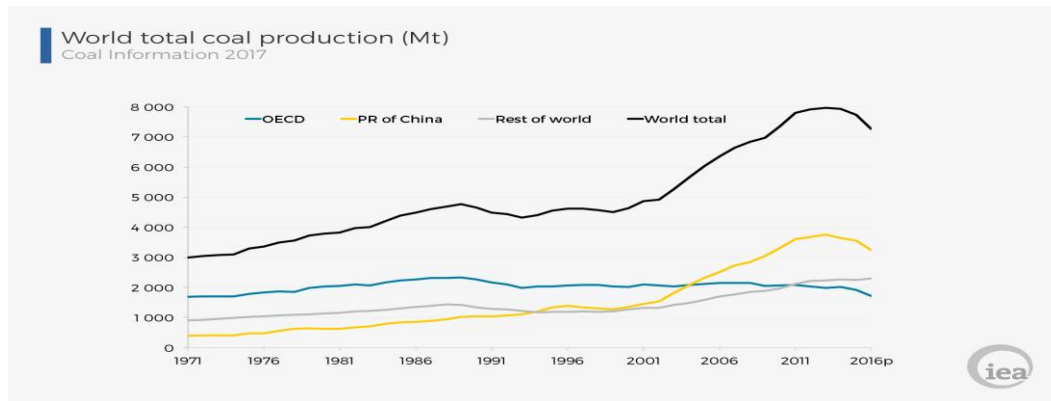


Fig. 6. The evolution of world coal production in 1971-2016.

Large investment projects have also been funded, starting with a submarine telecommunication line linking China directly to the US, which will run 18,000 kilometres and cost US \$ 500 million, ending with the Western gas pipeline and the eastern gas pipeline through which Russia will deliver China up to 80 billion cubic meters of natural gas per year. At the same time, the intention to increase its investments abroad - China has become in the five years, 2011-2016, out of the 35th investor in India, the 17th, and a major investor in Africa with a maximum of about \$ 200 billion in 2015 and about \$ 140 billion in 2017. As well as a desire to remove trade barriers to make it easier for exports to Europe and Asia to speed up the development of some Chinese western regions, but according some analysts, reasons expansion of political, economic and even military influence in the region, China has set up an initiative called "OBOR" in 2013 with a name modified in 2016 as "BRI", namely the creation of 6 corridor infrastructure linking China the Eurasian states, covering 68 states whose population exceeds 65% of the world's population and whose GDP exceeds 40% of world GDP. „The Chinese government plans to establish an Asian Infrastructure Investment Bank (AIIB). Its huge reserves would allow Beijing to undermine the role of the International Monetary Fund, the Asian Development Bank and even the World Bank”, say AsiaNews. China Shipping Container Line has already inaugurated in 2007 the "weekly express" of containers directly linking the Shanghai port of

Constanta to the terminal in Agigea, which will carry out a large volume of mutual exchanges of goods. It seeks to reduce the gap between Chinese exports to Romania and Romanian exports to China, as well as the penetration of Chinese products into the European Union, China's trade surplus in relation to the EU approaching 180 billion euro. By 2020, China is considering building the world's longest high-speed rail network of about 12,000 km, which will run at a speed of 200-300 km / h. From this network will be the 1318 km line connecting Shanghai and Beijing. China signed with France in 2007 several commercial contracts worth about 20 billion euro, including the sale of 160 Airbus passenger airplanes, mainly from the A320 family for an amount of 12 billion euro. Also, the French EDF electricity group together with the Chinese partner CGNPC formed a joint venture of nuclear power plants in China. French telecommunications equipment maker Alcatel-Lucent has concluded a contract for the expansion of GSM mobile networks and Airbus will produce six passenger aircraft per month in China, in 2020. Being the world's largest consumer of energy, after the US, China is increasing its annual energy consumption by an average of 7.5 million barrels per day. As such, construction of pipelines and pipelines between Russia and China has accelerated over the last seven years.

Thus, Russia is building the Great Oriental Oleo duct, a pipeline that will eventually have 4,000 kilometers and which will supply Japan and the industrial belt in north-eastern China through two branches. On the first line, put into use in 2011, more than 110 million tons of crude oil have already been transported and in January 2018 a second line has been put into operation which will ensure the annual delivery of 15-30 million tons. Russia and China are also in the pipeline to build three major gas pipelines that will unite Siberia and the Chinese western region, Irkutsk with Daging in north-eastern China and Sahalin Island with China, respectively. These gas pipelines will concentrate a combined Russian gas capacity of over 100 billion cubic meters per year. It should be noted that China's oil and gas pipeline network reached 48,000 km in 2008, increasing only in 2004-2007 by 62%. In 2020 it will triple and will reach about 169,000 km, with Russia being the main suppliers of Central Asian countries and Myanmar, a state in southern Asia. PetroChina, a division of China National Petroleum Corp., founded in 1999, whose capitalization ranged from about \$ 1,000 billion, was twice as high in 2008 as ExxonMobil's US \$ 488 billion market value. In this way, the largest Chinese energy group, became the world's most valuable and listed company on the Shanghai Stock Exchange, with a production of 5.5 million barrels of oil in 2007. Now Shell company have the supremacy in the field. The Chinese government is stimulating national companies to invest in Russia so that by 2020 total investments reach \$ 12 billion in sectors such as energy, manufacturing, agriculture, fish farming and forestry. Trade with Russia reached over \$ 90 billion in 2017.

3. The main pillars of the Chinese economy

The main pillars of Chinese economic growth have been and are investment and trade. China's annual industrial output rose year-on-year by 18.9 percent. Chinese leadership is trying to curb accelerated export growth and investment to reduce potential financial problems. Thus, new taxes have been imposed to restrict steel exports and other products that require high energy consumption or are polluting.

Also interesting is the contribution of different sectors of the economy to the creation of China's Gross Domestic Product. Thus, the primary sector currently contributes 10%, the secondary sector by 44% and the tertiary sector by 46%, the latter having a higher dynamics (see Figure 7).

The Chinese leadership pays great attention to the modernization and restructuring of all branches of the economy, starting with the top and ending with tourism and agriculture. For example, China signed a contract with the French state-owned nuclear company Areva in 2007 for two nuclear reactors, including the fuel required for 10 years. In 2008, China planned to produce over 10 million vehicles, of which more than 5 million berlins after having produced 9.04 million in 2007, up 22.9% compared to 2006, of which 4.95 million cars of passengers. It is important now to raise their technological level and to achieve pollution standards at least at Euro 5 level in order to protect the environment from the emissions of gas. Let's only think about the fact that only in Beijing the number of cars is approaching rapidly 6 million. China also proposes to sell its own production machines outside. A company that has grown well on the Chinese market is Volkswagen AG, which marketed 910,491 units in 2014, more than two million in 2014, and over three million Volkswagen cars in 2016, surpassing China's 2007 US rival General Motors.

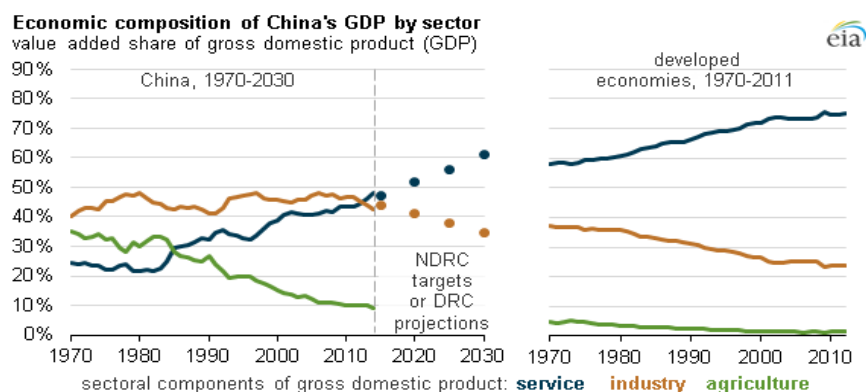


Fig. 7. Evolution of sectoral contribution to China's GDP versus developed countries.

China wants to make more and more of its huge tourist potential, which made it the beginning of the decade to propose the continuation of about 200,000 hotels,

tourist complexes and hostels by 2015, the number of five-star hotels rising from 361 to 500. It is estimated that in 2015 more than 100 million tourists visited China and so many Chinese people visited the world. In fact, foreign investment in hotels has emerged four decades ago, making 67 Chinese hotel chains and 41 international groups operating 516 hotels in the Chinese market since then. Optical data confirmed that in the 2006-2010 five-year national and foreign investment in the hotel sector exceeded \$ 50 billion. The rapid pace of investment in this area has made China more than 5,200 hotels classified by the star model at the end of 2017, 50 times more than in 1978. We must not forget that China is the largest steel producer in the world and that this production is expected to reach 808 million tonnes in 2017.

The world's largest steel producer, ArcelorMittal, which accounts for 10% of world production, has acquired a controlling stake in China Oriental Group, which produces steel in Hebei province in the north and south of Guandong, paying over the years about \$ 769 million. We mention that this group also owns the iron and steel combinations from Galați, Iași, Roman and Hunedoara, as well as the port operator Rom-portmet Galati. The Chinese government is also planning a series of structural changes in agriculture. Thus, for example, a plan to stimulate potato culture has been made at the expense of other traditional crops, such as rice, which has been the mainstay of Chinese cuisine for millennia. Given that only 13% of China's area is cultivated and droughts and floods are increasingly trying the country, it is considered that growing potato land could solve the deficit of arable land and hydrological resources as well as guarantee the supply with cereals, whose price exploded in 2007, rising inflation.

In order to intensify the trade relations between Romania and China, Romania's Export and Import Bank (EximBank Romania) concluded a cooperation agreement with China Development Bank in order to identify elements of common interest regarding exported goods / imported by clients, running infrastructure and industry projects, and promoting business and investment opportunities in the countries they represent.

The world's third-largest bank and Europe's largest bank HSBC became the first foreign bank to open a branch in a rural area of China through its HSBC Rural Bank subsidiary in Hubei in the east-east, where it offers a multitude of services to export-oriented rural companies as well as Chinese peasants' credits. To further open up the local capital market to foreign investors, China raised its cap on foreign investment in government bonds, from \$ 10 billion to \$ 30 billion. Also, the Chinese authorities will allow residents to invest higher amounts abroad. An important issue for China is to occupy the most of the workforce. It has been suggested that part of its unskilled labour force be exported to Romania. Given that the Romanian authorities are confronted with the issue of mobilizing the

indigenous labour force available in the countryside, with the increase of the number of people working in the European Union countries and with the maintenance of the qualified labour force in the country, a Chinese labour import does not is justified. China's future development and upgrading has enough economic and political fundamentals. As Former President Hu Jintao has said, China has all the conditions to continue international integration and its way to modernity, by increasing the quality of exports, foreign direct investment and Chinese investment abroad, protecting the environment and fighting piracy, etc. successfully with intense global competition and ensuring the economic security of the great Chinese people. An estimate of the IMF's contribution to GDP growth for the period 2017-2019 based on data provided by the World Bank is shown below (see Figure 8).

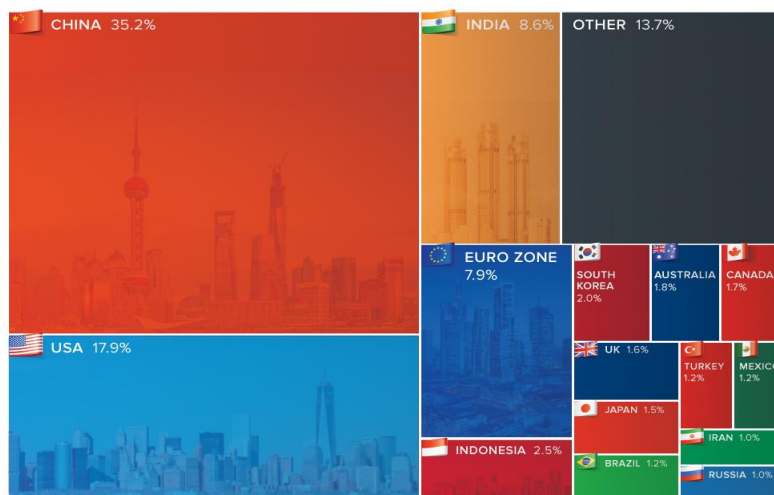
WHERE IS GLOBAL GROWTH HAPPENING?

China and the United States account for over half of global growth



Over the next three years, it is estimated that the \$75 trillion global economy will expand by another \$6.5 trillion in size. Here are the economies that will generate that growth:

% OF EST. GLOBAL GROWTH (2017-2019) IN REAL GDP



SOURCE: Based on 2016 GDP estimates from IMF, and 2017-2019 growth projections from World Bank

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Fig.8. Estimate of the IMF's contribution to GDP growth for the period 2017-2019.

Conclusions

Conclusion (1) Which are the general objectives of the Chinese State in the contemporary age?

China aims to accelerate "the transformation of the economic development model by optimizing and updating the structure of the production branches and moving

on the path of a new type of Chinese-based industrialization. This implies the expansion of domestic demand, in particular consumer demand, the stimulation of economic growth from the situation where it is based, as a traction drive, mainly on investment and exports, to the situation in which it relies as a traction engine, on the correlation of primary, secondary and tertiary industries, on technical-scientific progress, on the quality of those who work and on the innovation of the administration." For this, China aims to develop the contemporary productive branches, the transformation of the industry from sea to strong, the elimination of backward production capacity, the development of new branches of informatics, bioengineering, aeronautics and cosmonauts, ocean navigation, parallel to the merging of computerization and industrialization. a higher level of industries that operate with new technologies, the upgrading of service quality, the construction of basic branches and infrastructure, the development of energy and transport industries, the development of large entrepreneurial corporations with an international competitive force. As a result, China aims to preserve and refine the fundamental economic system, which has as a column the unprecedented development of the public property economy, parallel to encouraging and supporting the non-public property economy, in order to finally promote the building of a harmonious society. Everyone agrees that, whether it is a conductor or a liberal, the State is the one who makes the law, as well as the related economic and social policies. The problem is that "... it is the task of making a choice for one way or another and avoiding the pursuit of intermediate policies; in other words, a clear definition of the rules of the game and, first of all, of the position on property is needed "If at first the State exercised its primary function of securing the national and foreign security of the nation, and public expenditure was intended for financing the Gendarmerie State or the Protecting State, i.e. the police, the judiciary and the army, in the twentieth century raised the necessity of the economic and social role that has become increasingly accentuated. This means that the state, through tax and fiscal policies, removes inequalities by redistributing income or correcting them through the tax system, and ensuring an optimal mix between economic liberalism and state intervention."

Conclusion (2) Modern war takes the place of the classic war.

The theory that modern war takes the place of classical war is more and more prevalent. This means that modern war is an economic war; weaker countries cannot be subjected to violence, but can be conquered economically. The first countries to understand this were Germany and China, and those who did not understand it were the Americans. Thus, we currently distinguish two main strategies in the world: the American strategy of controlling armed domination, inspired by ideologist Zbigniew Brzezinski; the Chinese-German strategy, that of a non-violent, peaceful but promising success, which is a new strategy. The

Chinese and Germans have learned from history that it is much cheaper and more solid to buy a country than to bombard it and destroy it, while Americans have failed to learn from history that peoples cannot be conquered by force and that no conquest by force endures the time. When your strategy fails, of course you lose the role of world leader. Today, America owes China over \$ 1 trillion, which proves that you cannot rule the world anymore and cannot impose decisions on China. How do you deny China when you are paid to pay your debt? This was due to the exponential growth of the US debt of 1940, when it had a zero debt, until 2013, when debt rose to \$ 16 trillion. Instead, China has applied another strategy. 40 years ago, under the leadership of Deng Xiaoping, China was oriented on the road of labour and sacrifice, that is, sacrificing the welfare of the people in favour of increasing the power of the Chinese state. This means that for 40 years it produces cheaper, exports at a very fast pace to the West, thanks to a rice plate each. This means that exports are much higher than imports, China accumulates a large amount of wealth in the world, and trade surplus has grown enormously. Countries less well-meaning import more than export, lose national wealth, lose wealth and lose out of living standards and quality of life. So these people live better than they deserve depending on the work they have done, but they do it on loans. These loans need to be repaid. For the time being, the borrowing countries are borrowed by borrowers, ie the IMF, the World Bank, China and Germany, ie countries with control and power. Of course, a way to offset money outflows would be the inflows of money from foreign investment, which is a greater harm than the trade deficit. So there are purchases of resources and mineral deposits, land purchases, purchases of productive objectives, international credits, which means only losses of some parts of the country, because they create profits that leave the country year after year, in the case of Romania for 28 years . The only solution would be to invest in high technology to ensure a short-term reversal of the trade balance situation. Foreign investment is a great deal of harm done to a country in the sense that in the short term it is a positive factor, providing capital inflows and jobs, but in the long run there are huge tappets that drain the country's wealth and lower the standard of living due to repatriated profit, often not even taxed. That is why China and Germany have made a national priority of foreign investment and trade surplus policy. It has come to pass today that these countries, under the guise of globalization, will suck the wealth of the whole planet.

Conclusion (3) *China's main strengths and weaknesses*

When we talk about China, we speak of a country with a quarter of the planet's population, with a history and civilization of about 10,000 years, with a vast territory that has access to resources, with a spirit of sacrifice, alternative energy resources, etc. We are also talking about a country with a political system better suited to these times of permanent international confrontations, draconian laws

that keep order and discipline, authoritarian leadership, and concentration of power in the hands of a small group. China has a relative backward economic downturn today, but the US economy is standing by the tremendous US debt to the Chinese state. Although China is dependent on external minerals, China is today at the top of renewable energy technology development, tackling its raw material problem by virtually taking over Africa. The Chinese people have the quality that they have no scruples, which depends both on tradition and on education they receive. That's why China has become a technological miracle. The Chinese people reproduce, copy, and apply faster any invention in the world than the inventor himself can think. On the other hand, the honest and honest Chinese is protected by law and the offender is subject to order and discipline.

Conclusion (4) How it should be and how globalization is understood today?

By synthesizing the theoretical references that are in fashion, globalization should mean legislative harmony across the planet, eradication of poverty, solving the problem of clandestine emigration, close and effective cooperation among peoples to solve major global problems, reduce pollution and protect the environment, unitary laws on the planet, the protection of honest and fair people, respect for human values, the elimination of wickedness and generally the way to a better world, etc. Today globalization means mixing races, free movement of people, emigration and economic, political and social chaos. China and the BRICS countries (the current alliance with Russia, India, Brazil and South Africa) have negotiated a commitment of both the Federal Reserve and the US Treasury, perhaps through the IMF, which will manage US debt by increasing the exchange rate and of commercial tariffs. Under these circumstances, the US Treasury will be separated from the Federal Reserve and control the dollar at US level, and the "international" dollar will be controlled by China and the IMF consortium, which are the receivables holders. Also, China will soon acquire a number of Western banks or physical assets, which are the majority owners of the Federal Reserve. The biggest deal in the financial history between the Federal Reserve and China will be Monetary Revaluation, ie how all world currencies are valued to reflect real production ratios and physical assets. "There has been for decades talk about creating an international reserve currency and it has never really progressed. Managing such a currency would require balancing the contradictory needs of countries with high and low growth or with trade surpluses or deficits. The 16 European nations that use the euro have faced "huge difficulties" in managing monetary policy even though their economies are similar. It's hard for me to imagine how it's going to be easier for the world to have a common currency for trade," said Michael Pettis, a finance professor at Peking University's Guanghua School of Management.

Conclusion (5) *Grows chances for China's world supremacy*

The prosperity and stability of the world cannot be taken away today by China, as China's development cannot be unleashed by the world. However, the world is very anxious, because hegemony and force policy continues to exist, the imbalances of the global economy are getting worse, local conflicts and hot spots appear to disappear, traditional security threats and non-traditional ones intertwine each other, widening the gap between North and South, and peace and development in the world are confronted with many difficult issues and challenges.

In order to boost the building of a harmonious world, sustainable peace and common development, China considers it necessary to respect the principles of the Charter of the United Nations, to enforce international law and unanimously accepted international relations rules, promoting the spirit of democracy, good relations, and common benefit. From an economic point of view, we can work together, complement each other and, together, stimulate the globalization of the economy in the direction of general equilibrium, general advantages and common gains, and politically we should consult on an equal footing, respect each other and we promote the democratization of international relations. By pursuing an independent, independent foreign policy, moving on a path of peaceful development, striving for the peaceful resolution of international disputes, applying a defensive national policy and rising against any form of terrorism, China will stimulate, through its own development, joint regional and global development. In this way, the Chinese people, together with the other peoples, will contribute to the realization of the wonderful ideals of mankind, to the formation of Chinese socialism and to the full building of a decent welfare society, facilitating peace and collaboration throughout the world. This year China will celebrate 40 years of economic reform.

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