

Reflections on Hong Kong Issue**Something to Think About**

Jan Campbell*

Part I - General situation

There is no doubt that after the NPC ended, the special legislation in regard to Hongkong and the program for creating jobs have been approved, the internal political, financial and international relations between USA, EU and PRC have not been showing a sign for a stabilization or improvement. Unfortunately they are even worsening as far as the media hysteria is concerned – 66% of Americans perceive Chinese as an enemy (week ending May 30th). Therefore it has to be assumed that the war between USA and PRC would intensify at all main fronts: Trade, Covid-19, Hongkong, Taiwan and South China Sea.

An indication offers the fact that the US Department of Transportation has suspended all passenger flights by Chinese carriers to and from the United States, effective June 16. The department said the move comes after China's failure to permit US carriers to resume flights to China amid the coronavirus pandemic.

In particular

Each of the mentioned fronts has its own agenda to look at. But what strikes is, that there is a deficit in defining the differences in understanding and perceiving the goals and the situations by Chinese, Europeans and Americans after the goals of the variety of wars have been achieved and considered within the context of the international political, financial, economic and military environment by both, the Chinese and the key foreign groups.

The major short – term western goals include *Made in China 2025*. It has been introduced 5 years ago. Similar applies to the fast development of *10 fundamental high technological sectors*: car (renewable materials and electrical concepts), IT, AI, new ICT conceptions, robotics, agriculture and ecology, aero-cosmic technologies, heavy navy construction, advanced transport systems and similar form the key elements of the so called 4IR (4th industrial revolution). For a critical assessment of the 4IR see please the document prepared by the author (A critical assessment of the 4IR and the pandemic of fear of coronavirus).

Important roles in understanding the current challenges and those ahead of all participants play the *definition of goals and the perceptions*. There is nothing wrong with it until we do consider: 1) The general cultural differences although the businesses have been based mainly on western models, using international legislation and accounting principles and the participation of foreigners in it. 2) The open access to foreign investors (mainly US, UK, lesser part Germany) and corporations (mainly USA and UK or off-shore registered). 3) The commercialization of the results (access to the markets). The answers form the challenges.

Key challenges to foreigners: In most cases there is a general perception that the Chinese environment and market are more closed than markets of USA or EU. In most cases there is a need to form JV, transfer know-how or its part, a.o.(and others) A closer look at the official position of PRC and perceptions could prove that it is not so (significant to a cooperation), especially when considering that in recent times a number of limitations and conditions related to acquisition or

* Jan Campbell, German independent critic, media commentator and invited academic presenters for current issue international conferences.

participation in US and EU companies have been introduced by legislation and approval procedures with the argument of national or even alliance security.

Already simple and general look allow us to see a tremendous challenge for Chinese political and economic elites. They would need to respond to it, if they want to co-manage the process, not only react or wait which would correspond with general Chinese attitude. For example, by comparison, explanation of specific cases, or offering indicative solutions to be considered by a foreigner interested in business in or with PRC. Active Chinese responses are very important as the key USA and EU claims are focused on accusations: Endangering national markets, but what is even worse, endangering the economic and technological development of the (western) civilization. If they would add a claim that the unity between politics and economics in and of China distorts the global markets and may lead to overproduction and price dumping the resulting overall picture would be more irritating. The latter accusations have been used for claims related to technological development and the quality of products.

At the level of WTO we can hear claims in regard to policy of protectionism. Chinese arguments against such claims are very standard and therefore not efficient and economical. They have been using history as an example, further the times when USA closed markets for (cheap and low quality) production from European colonies, and last but not least, the case of 4IR (of Germany). The issue at stake relates to investments in strategic industries made by states like Germany, which economy is quite open to foreign investors.

The first serious challenge stands for the unwillingness and inability of the two players, USA and PRC using capitalist system based on expansion to achieve domination in the world. These days we are at the beginning of a cold war of a new type. What we have been witnessing could any time turn into a hot war. As the Chinese economy did not reach yet the state of the American economy a loss of a few million clients does not represent such a tragedy for the Chinese as for the Americans who, by the way, cannot be so easily mobilized around a national (communist – socialist) idea, or a painful history as the Chinese can be.

In this regard there is need to look at the fear by Americans and Europeans from Chinese and the CP of PRC. The fear is based on a historical revenge. At the same time a sudden transfer from cold into a hot war would be for Americans, despite their overwhelming military power, not of advantage at all. Any open war against China would hit hard American markets, increase the uncertainties in the financial and economic fields in many countries (alliance and cooperation) and last but not least, it would bring a serious damage to USD. No one can be sure today that the USA may be swimming in their own dollars to the disadvantage of a great part of the World. In general terms: There isn't an interest by the USA physically liquidate China. The main goals of a capitalist hegemon are simple: 1) Change the political system and the ideology using local fifth colony for sabotage. 2) Install a fully dependent financial system based on USD (as PRC represents a market of 1.4 billion people). 3) Install a fully dependent science and technology development on USA. 4) Install a total control of the society in terms of ethnics, religions, consumption patterns and preferences. All other is of a secondary value. Except the pros and cons of *One child family policy*. The mentioned policy presents a challenge to both, USA and PRC as it is related to the need of a massive psychological war and attacks. As nobody knows which psychological instruments would be used in such a war there is at the same time a serious danger of so-called collateral losses of the usually brutal introduction of American democratic system abroad.

The second most serious challenge for USA stands for the need to slow down the overall

development in the Chinese society and exclude that a critical mass of population would ever achieve the so-called *middle income level*. Achievement of this income level nearly always leads to the *loss of attractiveness for foreign investment*, as the labour cost is no competitive and the overall economic growth and development became *long term flat*. Such an aggressive strategy would bring serious reduction of markets for (low quality) Chinese products. China would therefore become *long term low income country* which could be fed by so called *helicopter money* with all its consequences.

An article in *South China Morning Post* states: China has pledged a package of 4 trillion yuan (US\$559 billion) worth of cost cuts for the country's struggling factories and merchants in 2020. It stands for the largest economic rescue plan in its history to save jobs that were put at risk by the coronavirus outbreak. Premier Li Keqiang confirmed on Thursday (28th of May): *We have been saying that we won't flood the market [with excessive liquidity]. It is still the policy. But extraordinary times call for extraordinary efforts. We are now providing water so that the fish can survive – fish will die without enough water, but there will be bubbles if we provide too much water.* According to Li, in China still live 600 million people with monthly income of 1,000 yuan (US\$140) or less, even though the national average per capita income last year was 30,733 yuan (US\$4,300). *The country reserves policy space on the fiscal, financial, social security and other fronts and is in a strong position to quickly introduce new measures should the situation calls for it without any hesitation*, Li said, adding that *it is essential to keep China's economic development on a steady course.*

The third most serious challenge for USA – China relations is the previously mentioned helicopter money. USA prepared the world to control it with the help of distribution of endless amount of USD. Chinese government has been aware of this element of strategy. Therefore it is trying hard to reduce the dependence on USD and introduce very similar concept of USA, the digital yuan and also trade in national currencies. It should serve for purchases of all products made in China. *We will do our utmost to keep China's economic growth stable and at the same time we must ensure that all measures taken are well calibrated*, Li said during a press conference after the conclusion of the NPC.

Considering the money / debt issue and the consequences for solving the financial part of the systematic crisis of monetaristic capitalism we need take into account the accumulated debt by USA, EC and PRC. In each country it reached very high level and similar size: 300 thousand billions USD, resp. EURO. The key difference stands for the size of population: USA (328,2 mio as of 2019), EU (445 mio as of 1st Feb 2020), PRC (1,439,404,024 as of July 6, 2020).

The *National People's Congress* (NPC) has considered the *Decision on Establishing and Improving the Legal System and Enforcement Mechanisms for the Hong Kong Special Administrative Region to Safeguard National Security* which passed as expected. The next steps probably will be the passage by the NPC Standing Committee, then promulgation. Remark: by the date of publication of this document, the law is already effective.

In the meantime president Trump held a press conference Friday (29th May) and discussed China. There is a speculation that he will push for US actions in response to the Hong Kong law that will include changes to how the US treats Hong Kong in trade and immigration as well as *penalties* on the PRC and possibly PRC-linked entities and individuals. I personally expect that the measures would be fairly weak. Whatever he announces, no USA and EU actions will change the CCP's course on Hong Kong. Therefore the USA runs a relatively high risk as far the USA reputation

and the presidential campaign are concerned. I believe that is what president Xi is betting on.

For president Xi and the CCP, Hong Kong political security and the territory's place in the Motherland and the Western critics would only confirm to president Xi and many in China that the USA and EU are hellbent on keeping China down. Any weak response to the new law will add to the view already held by a few in Beijing that the *West is paper tiger*, as Mao liked to say. Therefore the best for the West seems to be no reaction at all. For Beijing it should mean in both cases (reaction or not reaction) to update its tactics for the inclusion of Taiwan as soon as possible, even if it may create a toxic dynamic.

These threats are what we expected. But they are futile in preventing the passing of the law. We have prepared for the worst case scenario, said Ruan Zongze, senior research fellow at *China Institute of International Studies* (a think tank under China's foreign ministry). I do agree with Ruan Zongze and his fellow academic *Shi Yinhong*, director of the *Center of American Studies at Renmin University of China* that a revocation of Hong Kong's special trading status was unlikely: *I think the US government is quite hesitant about how strongly they should react to (China's bill). It's unlikely that they will revoke Hong Kong's special economic status because that would also hurt America's interest in Hong Kong.* Despite the cited there will be accusations by the West I would briefly describe later in the paper.

Part II - Taiwan and the loss of USA

The old – new opponents in the unresolved issue of Taiwan, Washington and Beijing have recently moved to more sharp word exchange, dangerous supply of American weapons to Taiwan and therefore to a situation requiring more urgent solution of the complex problem in the region. The situation around the separatist policy of *Tsai Ing-wen* (for Czech readers Chai Ying-wen, 1956), first elected in the sixth direct presidential election in 2016 and re-elected with an increased share of the vote in January 11th, 2020 requires a deeper look at the history if one wants to estimate the outcome of the conflict of the opponents in general and specifically related to Taiwan. It short term some politicians like the President of Senate of the Czech Republic and a few others would misinterpret the blessings of minister Mike Pompeo when Mrs. Tsai took the presidential position on May 20th, 2020. A misinterpretation would harm the bilateral relations with Czech Republic. One cannot be sure about the effect of misreading to the relations with EU, which would use the hysteria caused by coronavirus pandemic during the negotiations with PRC in regard to the new investment protection agreement and meeting dedicated to project EU - PRC 17+1.

Tsai supports strong and stable relationships between Taiwan and the USA. In early December 2016, she held an unprecedented telephone call with president-elect Donald Trump. This was the first time that the president of Taiwan spoke with the president or president-elect of the USA since 1979. Afterwards, she indicated there had been no major policy shift. But the reality seems to be very different.

The DPP's (Democratic Progressive Party) traditional position on the issue of cross-strait relations is that Taiwan is already an independent state governing the territories of Kinmen, Matsu, Penghu Islands and the island of Taiwan, thus rendering a formal declaration of independence unnecessary. While Tsai has never departed fundamentally from the party line, her personal approach to the issue is nuanced and evolving. She believes in the importance of economic and trade links with mainland China, but publicly spoke out against the *Economic Cooperation Framework Agreement* (ECFA), a preferential trade agreement that increased economic links between Taiwan

and mainland China. The pact, signed on June 29, 2010, in Chongqing, was seen as the most significant agreement since the two sides split after the *Chinese Civil War* in 1949, since neither government recognize the other as *countries*. It was expected to boost the then-current US\$197.28 billion bilateral trade between both sides.

Tsai has accused the CP of PRC's troll army of spreading fake news via social media to influence voters and support candidates more sympathetic to Beijing. When in January 2019, president Xi had in an open letter to Taiwan proposed a one country, two systems formula for eventual unification, Tsai responded to Xi (also in a January 2019) by stating that Taiwan rejects *one country, two systems* and that because *Beijing equates the 1992 Consensus* with one country, two systems, Taiwan rejects the 1992 Consensus as well. *One China Consensus* (「一中各表」, 「一個中國各自表述」) which has different interpretations is a political term coined by Kuomintang (KMT) politician Su Chi, referring to the outcome of a meeting in 1992 between the semi-official representatives of the PRC and of Taiwan. Democratic Progressive Party (DPP) and the President of Taiwan in 1992, *Lee Teng-hui*, denied the existence of the 1992 consensus.

Later and also after her re-election Tsai expressed her solidarity with Hong Kong protesters and pledged that as long as she was Taiwan's president, she would never accept one country, two systems. In her recent inauguration speech Tsai outlined her major goals in her second term, including *instituting a lay judge system, lowering the voting age from 20 to 18, and establishing a human rights commission under the Government or Xingzheng Yuan*. She also outlined her economic policy, which included *transitioning from manufacturing to high-tech industries, with a focus on existing semiconductor and information and communications technology industries, cybersecurity, biotechnology and healthcare, domestic production of military equipment, green energy and strategically critical industries*. She proposed goals for defence reform, including a focus on asymmetric warfare, maintenance of a military reserve force, and reform in management to reflect a democratic society. On cross-strait issues, she explicitly rejected once again the one country, two systems model and expressed a desire for both sides to coexist peacefully. How to achieve it in the current state of world affairs and while increasing military spending she did not indicate at all.

Under the Tsai administration, military spending has risen in Taiwan relative to GDP. The defence budget was set to \$327 billion NTD in 2018 and \$346 billion in 2019. The defence budget in 2020 was set to \$411 billion NTD, estimated to be 2.3% of GDP, representing an 8.3% increase in total spending over the previous year and a 0.2% increase in percentage of GDP. The administration has also focused on developing indigenous submarines as well as missile. To understand better the importance of the Taiwan issue one should recall the history and its implications for the foreign and domestic policy and politics.

Already in 12th century Taiwan has been officially integrated into China (mainland) and as a part of the province of Fujian. Fujian is bordered by Zhejiang to the north, Jiangxi to the west, Guangdong to the south, and the Taiwan Strait to the east. Its capital is Fuzhou. The name Fujian originated from the combination of the city names of Fuzhou and nearby Jianzhou (present-day Nanping) during the Tang dynasty. While its population is chiefly of ethnic Chinese origin, it is one of the most culturally and linguistically diverse provinces in China. Due to emigration, a sizable amount of the ethnic Chinese populations of Taiwan, Singapore, Malaysia, Indonesia and the Philippines speak Southern Min (or Hokkien). As a result of the Chinese Civil War, historical Fujian is now divided between the People's Republic of China (PRC) and Taiwan, and both territories are named the Fujian province in their respective administrative divisions. With a population of 39

million, Fujian ranks 17th in population among Chinese provinces, with a GDP CN¥3.58 trillion, ranking 10th in GDP.

In 1661 Taiwan was taken over by army of migrants from Mainland China, supporters of Ming dynasty. In 1683 the control over the island was established by The Qing dynasty, officially the Great Qing. The control over the island lasted till the loss in the Japan – Chinese war (1894 – 1895) when Japan took over the control. Great Qing dynasty was the last imperial dynasty of China, established in 1636 and ruling China proper from 1644 to 1912. It was preceded by the Ming dynasty and succeeded by the Republic of China. The Qing multi-cultural empire lasted for almost three centuries and formed the territorial base for modern China. It was the fifth largest empire in world history in terms of territorial size.

In 1949 after the victory of Mao's army in the civil war (1945 – 1949) and the immigration of *Chiang Kai-shek* (1887 – 1975) a modern history of Taiwan began. One of the longest-serving heads of state in the 20th century Chiang Kai-shek was in the West and in the Soviet Union known as the *Red General* and as the longest-serving *non-royal ruler of China* having held the post for 46 years. Like Mao, he is often regarded as a controversial figure.

Chiang played the Soviets and Americans against each other during the war. He first told the Americans that they would be welcomed in talks between the Soviet Union and China, then secretly told the Soviets that the Americans were unimportant and that their opinions would not be considered. Chiang used American support and military power in China against the ambitions of the USSR to dominate the talks, stopping the Soviets from taking full advantage of the situation in China with the threat of American military action against the Soviets. In the early morning of 10 December 1949 Mao's troops laid siege to Chengdu, the last Kuomintang party (KMT) controlled city in mainland China. Chiang Kai-shek and his son Chiang Ching-kuo directed the defence at the Chengdu Central Military Academy and both, the father and his son were evacuated the same day to Taiwan on an aircraft called *May-ling*. Chiang Kai-shek would never return to the mainland.

The Kuomintang party used traditional Chinese religious ceremonies and promoted martyrdom in Chinese culture. Kuomintang ideology promoted the view that the souls of *Party martyrs* who died fighting for the Kuomintang, the revolution, and the party founder *Dr. Sun Yat-sen* were sent to heaven. Chiang Kai-shek believed that these martyrs witnessed events on earth from heaven. Today Chiang's popularity in Taiwan is divided along political lines, enjoying greater support among Kuomintang (KMT) supporters. He is generally unpopular among *Democratic Progressive Party* (DPP) voters and supporters who blame him for the thousands killed during the February 28 incident and criticise his subsequent dictatorial rule. In contrast, his image has been rehabilitated in contemporary PRC. This shift is largely in response to the current political landscape of Taiwan, in relation to Chiang's commitment to a unified China, his stance against Taiwanese separatism during his rule along with the recent *détente* between the Communist Party of China (CPC) and Chiang's KMT.

There is no doubt, that the current regime has no change to succeed and the USA are on lost ground. An indicative explanation offers an article written by the author in Czech language (*Jenom nesmyslnost, nebo víc?*) and published in a variety of Czech media (03.06) in connection with the plans of president of Senate of the Czech Parliament Mr. Miloš Vystrčil (1960) to visit Taiwan later this year and against the advice of president Zeman, the minister of foreign affairs Petříček and prime minister Babiš.

Part III - European Union and PRC

As an introduction to this part of the document I refer briefly to recent official statements. *Analysts have long talked about the end of an American-led system and the arrival of an Asian century. This is now happening in front of our eyes, Josep Borrell told a group of Germany's diplomats on Monday (May 25th), adding that the coronavirus pandemic could be seen as a turning point and that the pressure to choose sides is growing... We need a more robust strategy for China, which also requires better relations with the rest of democratic Asia,* and he also said that the 27-nation bloc *should follow our own interests and values and avoid being instrumentalised by one or the other.*

The triple citation clearly indicates that the EU will speed up a shift to a more independent and aggressive posture towards PRC and it seems that it stands for the admission by Borrell the EU has been naive about aspects of China...and *this was now coming to an end,* even if the EU has been reluctant to side with Donald Trump's confrontational stance towards it. The EU's natural desire to be tougher on PRC has been held back by revulsion at Trump's methods and a fear that if EU jettisoned China altogether, its chief partner would be Trump.

EU competition commissioner *Margrethe Vestager* has recently noted: *In the part of west Denmark in which I grew up, we were taught that if you invite a guest to dinner and they do not invite you back, you stop inviting them.* This indicates that she is not happy with the principle of reciprocity and as a result she wants from EU *to be more assertive and confident about who we are.* The young roots for such a request became visible in spring 2019. At that time EU became frustrated by difficulties accessing the Chinese market and alarmed by the (strategic paper) direction of president Xi. The direction was perceived as nationalistic, thus allowing EU label China as *a systemic rival promoting alternative models of governance* in a landmark strategy paper. The paper has been used as evidence by the USA State department for similarities to its own stance.

Issues to be considered seriously include between others: Diversification related supply chains to telecoms security; the total dependence of Europe on supplies of paracetamol from China; new (German) laws to prevent foreign takeovers of medical companies; French finance minister, *Bruno Le Maire* statement - *some companies are vulnerable, some technologies are fragile and could be bought by foreign competitors at a low cost. I won't let it happen;* Sweden's relations with PRC are close to breakdown. No doubt that the first steps to compile would relate to an inventory of dependence on China, investment screening reviews and last but not least what *Le Maire* has promised: *to strengthen our sovereignty in strategic value chains* (such as those of the automotive, aerospace and pharmaceutical industries). In reality no one knows yet how far this *new realism* will take the EU in altering its economic relationship to PRC. Daily EU imports from PRC amount to 1bn Euro but economists say there are already signs that some trade is not returning.

Andrew Small, an associate senior policy fellow at the *EU council on Foreign Relations* think-tank, wrote: *It benefited from the contrast that many Europeans drew between China and Russia. In this view, whereas Russia was actively hostile to the EU, China only sought to stymie European unity on a set of narrowly Sinocentric issues; whereas Russia thrived on chaos, China could be relied on as a status quo actor during crises; and whereas Russia pumped out disinformation, targeted European citizens, and sought to bring populists to power, China focused on positive image management and behind-the-scenes elite capture.*

Philippe Le Corre, a non-resident fellow at the *Carnegie Endowment for International Peace*, says Covid-19 has been *the game-changer: Chinese diplomacy backfired. It did not acknowledge*

the initial help Europe gave to China, perhaps due to the regime being discomfited by foreigners providing help. There were fake videos in Rome of Italians singing the Chinese national anthem. It was very strange.

At the same time one should not underestimate the public opinion and perception of China's actions and behaviour, especially in times of risks and danger, like the pandemic. Recently both backfired with European public opinion. A poll published by the Körber-Stiftung thinktank showed that 71% of Germans believe *greater transparency by China would have mitigated the corona epidemic*. A net 68% of Germans said their opinion of the USA had deteriorated over the past year, but China's reputation had also suffered, dropping by a net 11%. In France, an Ifop / Reputation Squad poll conducted at the end of April found only 12% saw China as best placed to meet the challenges of the next decade.

There is no doubt that many other factors prompted a change of heart. China helped Europe's economic recovery in 2007-8 by buying debts and failing assets (during and after the financial crisis). It did not join Russia in supporting Brexit and it avoided support for Russia over Ukraine. On the other side of the coin, the expected bonanza from the initiative OBOR and even the 17+1 at large failed to materialise for a number of reasons in PRC and individual states involved in the initiatives. PRC institutions seem to realize slide in relations. As a result, for instance, Italy became the first European country to sign a *belt and road* investment memorandum with China. A few European countries individually gave Huawei the go-ahead to run their 5G networks and last but not least the Government of PRC declared 2020 to be the year of Europe, announcing two large summits and many ceremonial signings. There are a lot of questions without specific answers which in the context of the pandemic, presidential campaign in USA and internal tension within EU and its member states could further complicate the attempt to stabilize the slide in relation with PRC.

A few professionals like *Small* argued that Beijing appeared to have decided to use Europe at a moment of deep internal strain in a broad information battle about the supposed inadequacies of western democracy and said: *It was not enough to argue that the Chinese Communist party had succeeded; others had to be seen to fail*. *Borrell* called China's *politics of generosity* a stunt, the *European External Action Service* accused China of running a *global disinformation campaign to deflect blame for the outbreak of the pandemic and improve its international image*. This leads to an important question the European politicians would need to answer: How to harness this new awareness to resist China without tumbling into Trump's cold war?

The Chinese institutions would need to digest a variety of reasonable and less reasonable answers and offer a quality feedback. The next big test is PRC's own direction. Hardly anybody knows for sure what does it mean *Sopranos school of diplomacy* and whether there is a strategic objective of turning the EU into a buffer zone against the USA, as the Chinese scholar *Lanxin Xiang* admits that he has kicked up quite a bit of dust by arguing it.

Similarly *Long Yongtu*, who negotiated China's passage to the WTO in 2001, warned recently that China risked isolating itself from a new global economic order saying: *China is also an important participant in globalisation, so when somebody begins to talk about 'deglobalisation', of course, we need to be highly wary of that*.

Whatever may happen and be true, president Trump would rally the G7 – and specifically EU powers against PRC. Smaller and small EU states, including the grouping called V4 would follow. PRC may find it is too late to get EU to turn back. Despite the all said when looking and evaluating the relations between EU and PRC and the enveloping multidimensional war between USA and

PRC one has to consider at least following three relations: EU - USA, Russian Federation and Africa. In regard to RF(Russian Federation) the key issues relate to EU sanction policy, Russophobia, practical disunity within the EU, EC and ECB and a double trend with wide consequences for the relations with PRC: EU under the *leadership* of Germany or under the pair *Germany – France*.

EU led by Germany solely means in historical terms to give a priority to RF than to Asia despite the fact, that Germany and PRC are the largest trading partners within the EU and that the EC hopes (in silence) that the unique German – PRC relations would help to develop the relation at the formally higher level EU (EC) and PRC. EU led by the tandem Germany – France could mean double policy, resulting in a weaker effort: Germany with a priority towards RF and France with a priority towards Asia would not significantly support efforts in regard to Africa and South and Central America where the EC evidently lost its momentum.

In both cases Czech Republic would not enjoy any comfort for obvious reasons: a) Current foreign policy orientation towards USA would continue. b) In the foreseeable future the presidential orientation would change to the same direction. c) The voice and position of Czech Republic within EU structure would weaken as a result of the national and EU immigration, debts and financial support policy. d) Internal tensions in both directions – EU and NATO would increase as even president Trump recently claimed that the USA won over Nazism and Communism. The mentioned trends would strengthen by PRC stand in regard to the results of the Second World War. *PRC is ready to strengthen the strategic cooperation with Russia, protect the results of the SWW(Second World War) and resolutely protect the UN Charter and the fundamental norms of international relations*, said Wang Yi.

Such a position is also crucial for PRC as the majority of current European elites (in politics and modern history) has been trying to re-write history: From a victory of the USSR led coalition over Nazism which did name itself as a such (not over the citizens of countries) to the victory of the USSR over the West (not eliminating the still existing and growing Nazism and nationalism as we could observe) thus aiming to get revenge. In this context a special attention should also be paid to the Balkans as this region plays a significant role in the development of EU, nearing crisis potentially with military actions in Europe and last but not least, the PRC project 17+1. More on these aspects later.

There is no doubt, that elites in most of the Balkan states would follow the position of USA and EU stating that PRC conducts an ambitious and secret expansionist policy. The argument has been for a long time supported by: 1) The strategy *Made in China 2025* (which aims to achieve 70 % autonomy within its industry, dominance at global scale (meaning markets) in the world by the year of celebration of the 100 years of establishing the PRC, 2) *China standards 2035*. 3) The project OBOR.

OBOR has been perceived lately (since the presidency of Donald Trump) as a strategy for the development for establishing communication and military bases round the world thus securing PRC the necessary control over its investment, the cooperating states and the natural and human resources. In short: PRC project OBOR has been perceived as a plan, or project of a future world hegemon. Therefore the accusations to steal IP, restricting foreign investment in PRC, use of any disaccord within the cooperation with RF and last but not least the non-acceptance of HR made in Europe would intensify and be more subtle.

There is an evidence and a full understanding by political elites in EU and Balkans that PRC industrial and social reconstruction plans, which began some 10 years ago, have been considering

USA strategies, including nowhere written *national interests of USA*. This means that PRC has been also preparing itself for a hot war hoping at the same time that accepting USA rules of play would allow PRC to move the conflict out of its part of playing field.

There is no doubt, that the *pandemic of fear of coronavirus* facilitated the change of paradigm in the relations between EU and PRC, therefore also with the Balkans. Daily seen EU dependence from PRC supported by anti-Chinese media increased the need for discussions mainly in regard to: 1) Diversification of supply chains, 2) Losing and transforming ties with PRC to something new, staying opposite to previously developed close economic and cooperation, including EU investment in PRC, a.o. as documents *Marc Leonard in Project Syndicate* of 26th may 2020. 3) EU member state should be more protected from speculative and non-trustworthy foreign (Chinese) investments and Governments both in Beijing and Washington. This documents the references and citations made earlier: The report of *Andrew Small*, European Council for Foreign relations, statements of *Joseph Borrell* and of *Margarete Wester* (antimonopoly policy) and the significant dependence of EU on medicine produced in PRC. This commercial and ethical – moral issue needs to be considered seriously and could therefore influence the process of formulating tactics and operational measures when entering into negotiations or cooperation with PRC and vice versa. Another challenge stands for the evaluation of long – term strategic processes within PRC and the EU.

In the past EU and some of its member states (and also the USA) have been building the relations with PRC on the *principle of convergence*. This means, foreign western elites hoped that PRC - as the time goes on and PRC would enjoy the access to the world markets and the cooperation with the western technological giants and academic institutions - would transform PRC into a western model society and western political system under an umbrella of the primacy of reserve currency USD and the political currency Euro ignoring at the same time the consequences of the debt trap created by USD and USA governments.

The long-term strategies, initiatives and projects as briefly described above and the contradictions involved (and not described for reasons of time) are directly linked to president Xi Jinping, the CP of PRC, far less to the more USA orientated *Komsomol wing* and to the life threatening danger for EU: China has been able *to produce with added value*, it is able *to penetrate sectors of industries and society* which stand for the key sectors of developments in the foreseeable future and last but not least, it has been *weakening efforts of military elites* dependent on USA and pushing to *increase military spending*.

Although the division between USA and PRC economy has a longer history than the Donald Trump presidency, it indicates that EU has not been prepared for such a sharp turn and harsh tone in dealing with PRC. The result could be described in double terms: *A fear* from being pushed to the role of filling the sandwich (made from USA and PRC) and *the inability to manage* the USA dependency in all key areas of life, the limited sovereignty of states and the resources needed when developing relations and cooperation with PRC. As a secondary challenge in the described puzzle must be seen the confusion caused by the unpredictable accusations of EU by president Trump, the imposition of sanctions and taxes and last but not least the aggressive approach to Huawei, ZTE and other Chinese companies.

The accusations which are mostly based on security risks and dependence of Chinese companies on political influence or even governance caused a serious confusion in EU. Weak elite's decisions opened the door for anti-Chinese media actions and sentiments.

The above arguments have been strengthened primarily by non-ecological, non-efficient and

non-economic communication by Chinese authorities in the course of the Covid-19 and the subsequent *pandemic of fear from coronavirus*. The non-3E communication and from it evolving behaviour stand – as already stated in contradiction to PRC actions after the financial crisis in 2008. If after 2008 PRC helped without charging, even buying Euro and investing in Europe and elsewhere, in 2020 PRC authorities fell into a *typical capitalist trap*. What does it mean? 1) The PRC authorities accepted medical equipment from EU non-strategic and even strategic reserves without publicity. 2) When the pandemic reached EU they offered a help against payments in cash or high quality bank guarantees and sometimes products at high prices and low quality. Last but not least: 3) The PRC authorities, as any other in the world pragmatically used the situation in general, public fear in particular, confusion and the emergency law (for instance in Hungary) to push: a) The politically controversial (in current situation) economic-financial agreement (railway construction from Budapest to Belgrade) through to signature, b) PRC state venture fund recently tried to acquire a controlling packet in one of the main chip-producers in UK, *Imagination Technologies*, and c) Huawei commercial staff, to make an example, still believes or pretend to believe that it could do a business in EU member states without considering politics of the EU and the USA and other national or local aspects.

At the political level some of official PRC actions have also weakened PRC position in Europe. Indicating consequences in delivery of medical equipment to Netherlands if its Government would change the status or name of its representation office in Taiwan stands for a serious miscalculation in diplomacy (both, the traditional and public) when dealing with EU and also Balkans in times of changes of strategic paradigm.

At the propaganda, media and information level the situation is even worse. There is no sign at all that it could be better in the foreseeable future as the presidential campaign in USA goes to its final stage, the EC would enter into negotiations with PRC soon in regard to diversification and the EU member states would face a triple pressure (existential in EU, political-electoral from USA / NATO and uncertainties in regard to the economy in Germany with its relations to RF).

There is a fact which should not be ignored: A huge number of objective reasons for the transformation of the political, economic, financial and military order in the world and the briefly mentioned (or described) challenges within the relations with EU and its individual member states, including associated or in-waiting position (a part of Balkans). These challenges could be valued as operational, at operational level and therefore manageable if there is a clear strategy and ideology behind it. Without an ideology as one knows there hardly could be a strategic and tactical planning.

Part IV - EU and V4 and its future

Following brief excursion departs from the conviction of the author that once the financial packages prepared by EC and ECB connected with the systemic economic crisis and the consequences of the pandemic itself have been approved the process towards a political, tax and financial union would not be stopped by peaceful means. In other words, it means in general, that V4 as such would lose its momentum and importance. Especially should NATO strengthen soon its position in Poland, Slovakia and the Balkans. There are a few options allowing survival of the V4 in some form. They are not to be considered in this paper. What matters, is the overall bigger picture and the question: What are the final goals in the multi-dimensional and multi-character war (military, political, cultural, economic, technological, information a.o.) on a variety of scenes between the various subjects?

In short, it can be argued that in such multi-character war can win only such a party which can use, utilize and integrate all aspects of the fight. Those who would bet on one or two aspects or spheres would lose, even if they would have a lot of soft power. The history speaks for itself: USSR with its military power disappeared. Modern USA with its military power, USD as a reserve currency and historical, not repayable debt are losing position as a hegemon. PRC as a modernistic project in a globalized world carries its own risks. The modernist project seems to arrive at its end. In other words, at the end of one-way road.

The combination of a brutal capitalism and ideology of communism has been successful because PRC entered the process of modernization much later than any other country in Europe and USA. PRC has at its disposal huge population accepting hierarchy and a huge number of people educated at home and abroad. The pandemic documents PRC leadership and explains why USA and EU have been trying to ignore PRC success and management of crisis. At the same time, there is no guarantee that in case of victory subject the USA decides to refrain from nuclear attacks on PRC, development would not slow down. It should even be expected that it would eventually stop. The reasons for such a development and prediction are quite simple: The history of all capitalistic countries, the overall trends represented by nationalism and national states arising from the modernistic project. Last but not least the specific Chinese culture which includes the element of *bringing present* and *enjoying the peace* could play a role. PRC needs current developments for a victory over its competitors.

If the victory in the war is on the side of the integrator there is a need to ask, what does it mean? The short answer includes two options: 1) Historical development project, or 2) Contra-historical, non-development project. Because only *project based on universality* has a chance to stand up effectively and economically to opponents on all previously indicated fronts. Universality only allows integration and utilize fully hard, soft and smart power.

The current developments and events in the world prove that USA decided not to develop but to change by destroying current potentials. USA has no more power and resources to maintain the necessary world order. US foreign policy uses instruments of colored revolutions, Arabian springs etc. in cooperation with globalized neo-liberal groups in opposition to archaic Islamic groups, Bandera groups in Ukraine or radical and nationalist in Balkans to change regimes. This fertilizes the ground for new competitors of which the main is PRC, as hardly anybody really knows which direction has chosen Russia for its own development.

What next?

Beijing would need to re-consider the form and style of communication of its key foreign policy elements and matters and adjust themselves to the understanding and perception at EU, regional or even national level of EU member states and the Balkans. No feel of old or recent insult of PRC should be present and argued or followed by the presentation of its own position. Beijing would need to prepare all the answers and explanations related to the main issues raised or briefly described in this paper in order to convey them when the need arises or the situation would require an active action(s). The key issues are: the fear of revenge, impression of egoism, cultural differences and self-confidence based on history to name a few.

Contextual and comparative presentations of ideas, proposals, projects or similar activities would need to be extended and widened (European, national-Eurasian-China related) in order to increase the chance to utilize and manage the potential of human curiosity, re-direction of attention and last but not least winning time for observation in order to get a deeper and quality feedback. As one of instruments available to Chinese could be seen for instance the appearance of professional

collaborators of non-Chinese origin.

As no one can offend PRC these days and in the foreseeable future PRC representatives should be able to lift in a pro-active way the basic standards in international relations and negotiations, diversify the form for conveying the messages, especially when the USA in principle do not care, EU may hesitate and the national representatives in most cases are not so well prepared as the Chinese counterparts usually are.

The propaganda content should be freed from imperial approaches, should concentrate on presentation of positive aspects and characteristics and present always a specific and concrete comparison historical and current data and conditional proposals for reducing tensions especially in cases when military or security issues can be expected to be raised.

There is no need to revise the politics in regard to Hongkong and Taiwan as the issues should become manageable after the NPC legislation without further losses of image and PRC has a time. The Taiwan issue requires a serious increase of efforts in public diplomacy, including a clear discrimination, differentiation between a principle, stubbornness and nervousness, especially as the time is on PRC side, as already indicated in this paper.

Although there are many analytical and advisory institutions assisting the MFA of PRC and other PRC official institutions it seems to me that even a nation like the Chinese (at current level of development and position in the world) runs serious risks when it allows to be hostage or highjacked by its own past. In times of paradigm changes the risk to repeat mistakes of the past has always been high. In case of China their risks are even wider, deeper and higher for reasons of different linguistic, psychological and creative archetypes.

The current time offers a very important opportunity of a high quality but with a short availability for a reflection at all governing and public representative levels. It seems that the time is nearing to demonstrate the world PRC's real size and potentials.

What to be expected?

The current international institutions established after the Second World War and forming the base of Yalta – Potsdam peace, including UN, SC of UN, WHO a.o. would be reduced to a physical and functional minimum and at the end of the day even dismantled. All key trends indicate that once the USA fully recognizes that an organisation doesn't serve them and they can live without it. USA would cancel its membership and leave the organisation. USA left UNESCO in 2017, Council for human rights in 2018, and recent stop of co-financing and cooperation with WHO may serve as examples. At the bilateral and military level the variety of agreements signed by USA and Russian Federation and which are not going to be prolonged witnesses the trend. Change of paradigm brings to the light old-new truth: No other right could and in the near future would be accepted than the right of the power.

As the old institutions going to be dismantled, and according to personal assessment made by the author of this paper the UN would be left by the USA, UK and Commonwealth countries not later than 2030, new would be created. Again, under the USA leadership and its asymmetric allies as co-founders. This trend is not a new one, not the only one and not the last one. USA Deep state lives with the new paradigm already (a few years) aiming to dismantle the old world order with its international legal-agreement base and replace it with a New World Order based on bilateral and similar agreements under the US law. The paradigm change would continue independently on the outcome of the presidential election in USA. All the processes involved would not be seriously affected by any president of USA.

The visible trends in the context of trade, technology and hybrid war using smart-soft and hard power allow prediction that USA would soon leave the WTO, other exits would follow. This process would be accompanied by the (partial) move out of TNC of USA, Japan, South Korea and EU from the PRC. Such a move would lift up the barriers for entering US markets. On the other side it would support the fight between USA-EU-RF and PRC at the industrial-financial level and enhance the US effort within the financial-economic cluster.

If properly managed and subject to a few key changes not only in the Constitution of RF but in the economic policy of RF the dismantling of international institutions may offer unique opportunities to both, Russian Federation and PRC, which are not considered in this paper. In general terms, following four scenarios at least could be expected to happen once USA, UK and Commonwealth states leave UN and other post war created institutions.

1) The current and unresolvable contradictions between the key world financial-economic and military powers would increase in both quantity and quality and would lead to a large (more than regional) conflict.

2) The top of the New World Order would occupy one of the competing global blocks or alliances with the support of new elites replacing the current in other countries.

3) If the political systems in both, RF and PRC would be strong enough to resist and survive all the known, less known and unknown forms of cyber-attacks, including methods of so-called silent revolutions and the work with existing predatory elites in place, two blocks may appear on the horizon.

4) The New West under the auspices of USA may not have enough resources for expansion needed for the survival of capitalist system and may therefore transform itself into two blocks: Anglo-Saxon and Eurocentric coalition.

Anyway and whatever may happen we need to accept that the leading actors these days are USA and UK. PRC seems to be willing to support changes in the world in economic and financial terms. But it cannot support both the USA and UK in cultural and ideological terms. Russia seems to be able slow down the ride to a large conflict only. For a long time Russia would be considered in the military field only. The price it paid for the dissolution of USSR is still very high and not compensated yet. Its economy is weak, demography uncertain, inner monopoly of the land damaged and there is no clear national ideology. Similar to the one of the 16th century: Moscow-Third Rome, or of the Soviet times: Marxism-Leninism in Stalin's interpretation. Only recently we can see and appreciate the importance of revival of Russian military and foreign policy sovereignty for the relative peace in the world. For the above reasons Russia currently cannot be viewed as a leading world power, but as a power exercising defence strategy, trying to utilize failures and mistakes made by its opponents and preparing itself to occupy arising niches.

In this context to be considered also the weakening position of NATO and changes in USA foreign policy, including military one. NATO as an instrument of USA foreign policy represents a real danger to Russia in Europe (ex-USSR states, serious Russian minority living there) including the Balkans (with its Slavonic history), Caucasus and Central Asia (imperial history). USA foreign policy could change the mood and temper especially in Asia (Japan) which in turn may not allow early resolution of the Russia-Japan problems related to peace and Kuril Islands as an example. Note: After the amendments to the Constitution of Russia have been approved and effective, the Kuril Islands issue seems to be resolved and no more seriously considered in the foreseeable future. Should the process of weakening NATO and change of the foreign military policy of USA continue

one could expect in return strengthening of the integrational processes within the Eurasian direction in both, the economic field and the basic idea. This may lead to the formation of a monolithically economic block and the reduction of political and military importance of the *Organization for collective security* (established 15.5.1992). One should expect that Belarus and one or two of the Central Asia states would leave the organization. Next year - 2021 would be independent of the prediction said and indicate to be a very important year as far as the relations between Russia and USA and Russia and PRC are concerned.

Treaty between the USA and the Russian Federation on *Measures for the Further Reduction and Limitation of Strategic Offensive Arms*, New START, signed by president Obama in Prague on 8.4.2010, effective from 5.2.2011, would not be renewed. The treaty limits the number of deployed strategic nuclear warheads to 1,550. The treaty places no limits on tactical systems and it does not cover rail-mobile ICBM launchers because neither party currently possesses such systems. In response to the probability of not renewing the treaty president Putin recently published detailed procedures related to the use of nuclear weapons, which between other reductions the hierarchy of command.

The Agreement on friendship between Russian Federation and People's Republic of China, signed on 19.7.2001 would be renewed and highly probably even extended thus having an impact on the development not only of the relations between the two countries, but in the world until at least to 2050. As a result the role of USA in the world after July 2021 would be further reduced. USA would be allocated a place within the triangle PRC-RF-USA, if nothing unexpected happens. Before July 2021 one should therefore expect further worsening of relations between USA and its two opponents (PRC and RF) by creating more pressure on both in the field of trade, technology, mass media, sabotage and espionage, and similar.

Part VI - Conclusion in general

Time of paradigm change requires mainly the willingness and ability to control and manage (ecologically, efficiently and economically) the main trends of global developments in regard to finance, technology and innovation on the one side, on the other, the consolidation of relations with partners and alliances, economic integration and public diplomacy.

To enter in the process of control and exercise 3E based management of the key trends and challenges in times of paradigm change the old instruments (hard and soft power) need to be complemented by using the modern one, the smart power. There is no doubt that already now we can observe so called hybrid war composed of all three elements: smart-soft-hard.

It is recommendable to study in detail the process of penetration Russian public space and its neighbourhood by western media, personal and training policy of reporters, moderators, the content, form, timing and intensity of actions. In parallel it seems necessary study in detail the introduction and handling of the pandemic of fear from coronavirus and the already visible consequences in a few EU and other countries. In an ideal case one should project the information obtained (based on information-virtual distribution of pandemic data in combination with financial-economic projections and consequences to be expected) and project it into scenarios of upcoming pandemic and related new challenges.

There is no doubt that the humanity entered into a fundamentally new geo-historical dimension in which new conceptual models of conduct hybrid wars have been already incorporated into military doctrines of USA, NATO, and also of RF and PRC. Instruments using smart and soft power

have been successfully used in many areas of life, national interests and international relations. This paper aims to address the use of the smart and soft power in the field of cultural values, social-cultural and financial-economic sphere, linguistic and psychological archetypes, which influence the archetype of group creativity and stay in contradiction to the archetypes of creativity based on mother tongue.

The professional use of the above mentioned instruments in co-actions with known international organisations (IMF, WB, UN, FED, IOK, WHO, UNESCO, UNDP a.o.(and others) including NGOs, Google, Facebook, Twitter a.o.), less known (TNC, media and other structures of secret services) and unknown to general public allow successfully re-shape spheres of influence, markets for services and products and last but not least allow complete the removal of old regimes, ideologies and elites. The so called fifth colonies are under tremendous pressure. This indicates the wish to destroy, not knowing what would follow. Unfortunately, they seem to accept not wishing to live.

Situations like the one caused by the pandemic of fear from coronavirus offered an excellent opportunity for testing the scale of self-destruction of human being using the information-virtual embrace (hug) functioning at the same time as a net and trap. There is scientific evidence saying that using the internet for more than 3-4 hrs per day unreparable damages on human emotional-psychological and thinking structures appear. No word about the influence and changes of the physical state of the individual is needed. Currently more than half of the world population uses internet (cca 4,5 billions people). The majority of users resides in Asia-Pacific region.

There is a need to work out a proper geo-strategic analysis of actions, used methods, instruments, forms, channels a.o. during the pandemic as the targeted application of organic use of smart-soft and hard power without doubt influences the operation, management and control of a great variety of state and private institutions, including security and military. And last but not least it may weaken the national sovereignty and the state as such.

In order to act more ecologically, efficiently and economically (3E principle) with a realistic and manageable sustainability not only the PRC institutions would need to accept, that there is a need to engage more professionals specialising in foreign-regional history and development, intercultural communication, linguistic culture(s) and analysis. A second challenge represents the need for training staff in special propaganda, media and internet journalism, PR and advertisement. The third challenge stands for psychological preparation and contra-propaganda.

The mentioned challenges can be successfully resolved by meeting certain conditions, including the integration of foreigners into teams. There is no way, that without engaging staff with a deep and proven knowledge of foreign realities, local dialects and experience in applying local and intercultural communicational habits even such a big nation as China is can succeed and successfully and sustainably operate at international level, at least in Europe. Further and deeper consideration on how to resolve the above challenges and contradictions could be enhanced by initiating a deep analysis of the operation of Confucius institutes in Europe and also information provided by references similar to the below.

<https://www.foxbusiness.com/markets/us-china-phase-one-trade-deal-progress>

http://www.xinhuanet.com/english/2020-05/15/c_139060185.htm

<https://time.com/5836611/china-superpower-reopening-coronavirus/>

A special consideration should apply to the long-term relations between PRC and USA and EU including the attempts to relocate production from PRC to USA and Europe in order to reduce the dependence on PRC and risks from such an overwhelming dependence showed during the pandemic

period. The key issue—the relocation of production cannot be realized in peaceful times, only in times of war or, should a significant number of western allies declare most of the production in PRC as an uncontrollable, not acceptable political and economic risk. Why? Either the USA or EU have the necessary capital and human resources available. Therefore there is a risk that both USA and EU would increase the number of products, technologies, special legislation (extraterritorial, trade, capital flow and investment) and last but not least reduce scientific cooperation and student exchange, all valued as of strategic importance. Alibaba versus Amazon, Ant Financial versus US financial institutions, Huawei versus Nokia or Chinese cars producers versus Tesla, etc.

A special attention should be paid to the new Hong Kong's new national security law. A draft of the new national security law states: *When needed, relevant national security organs of the Central People's Government will set up agencies in Hong Kong.* It means that Beijing's spies will likely establish a more official presence there, could legally be allowed to pursue targets in Hong Kong in one of two ways: Extradition and Rendition. Why it matters?

1) Allowing mainland China's security and intelligence services to operate with impunity in Hong Kong could reduce the freedoms enshrined in the *one country, two systems* agreement that was supposed to provide the region with a high degree of autonomy until 2047. 2) Western media may use the infamous recent case of *Causeway Bay Books*. At least one of the employees of this well-known bookstore and for westerners a monument to press freedom was kidnapped from Hong Kong and detained in mainland China in 2015. This resulted in relocation of the bookstore to Taiwan. This stands for an important issue in domestic politics for instance in Czech Republic, where a number of Senators expressed wish to visit Taiwan.

European entrepreneurs may well be interested to know that foreign-owned companies, through their US-registered affiliates, have an avenue to lobby the US government not only by hiring former US elected officials to press their cause, but also through industry and trade groups. As an example it may serve *Wanhua Chemical*. The company is a member of several US industry groups, including the American Chemistry Council (ACC) and the Polyisocyanurate Insulation Manufacturers Association. Industry groups receive funds from member companies whose contributions are disclosed only to the IRS, not publicly, a phenomenon known as *dark money*. The groups are allowed to spend money on donations to super PACS and lobbying. But, at the same time, one can say, as Edward Brzytwa, director for international trade at the ACC, told Axios in an interview: *Wanhua has been very public with its problems with tariffs.*

Another issue relates to the construction of new nuclear plants in Europe by PRC companies. Czech Republic has such a plan in Dukovany. There should not be a doubt that all recent scandals with PRC and RF have some connection with this plan and the political wish induced by USA to exclude these two competitors from bidding.

Recent article in *The Sunday Times* of 7th June 2020 written by Tim Shipman, political Editor and titled *China threatens to pull plug on new British nuclear plants could be used* invites for a special consideration which also should include privately fired warning shot at the government by China's ambassador to the UK, Liu Xiaoming, telling business leaders that abandoning Huawei could undermine plans for Chinese companies to build nuclear power plants and the HS2 high-speed rail network. In a recent briefing Liu signalled that the decision over Huawei was being seen in Beijing as *a litmus test of whether Britain is a true and faithful partner of China*. No doubt some may interpret such words as a threat.

Something to be considered

Moutai, is the leading brand of baijiu (白酒), or *white spirit*. Baijiu is a broad category, covering virtually any high-ABV (alcohol by volume) liquor made in China. It is usually distilled from sorghum, can also be made from wheat, glutinous rice, millet, or Job's tears; depending on the region and ingredients, baijiu can be sweet or flowery, thick or thin.

Last week, Kweichow *Moutai Co. Ltd.* briefly overtook *Industrial and Commercial Bank of China* on China's stock exchanges. Moutai reached world fame during *Nixon's* 1972 trip to China, when *Zhou Enlai* served it to his unsuspecting guests. *Henry Kissinger* famously told *Deng Xiaoping* in 1974: *I think if we drink enough Moutai we can solve anything*. Who wants to know or read more, please look at an article by Clay Risen of April 15th 2009 titled *This the Best-Selling Liquor in the World?*

Mobilizing for Development is the title of a new book written by *Kristen Looney*, an assistant professor of Asian studies and government at Georgetown University. The research argues China's rural modernization campaigns have played a significant role in rural development, not just in China, but also in South Korea and Taiwan.

Space station in orbit by 2023. China has an ambitious plan to build a space station by launching 11 modules starting next year, according to a report from *SpaceNews*. The plan represents the evolution of China's space program using more complex design as it should host crews of three astronauts aboard for six months who can perform experiments and other activities from orbit. It matters because USA sees China as a rival in space, the USA seems to wish to monopolize or even privatize the cosmos resources and use cosmos for military purposes. Therefore any large undertaking like this one will be watched closely and conveyed to the public.

Traditional Chinese medicine (TCM) represents a huge industry of mass-produced, over-the-counter remedies based on herbal ingredients. It plays a complementary role in diplomacy as it represents a form of soft power. TCM allows treatment of many pathologies, disorders and epidemics, like the last one, cause by the coronavirus. The *Beijing Municipal Health Commission* just released a set of draft regulations for TCM. For readers and users of TCM in Europe, including the Czech Republic not only the article 54 should be of interest. In the draft it states that *denigrating and defaming traditional Chinese medicine will be punished by public security organs according to law*. The fact that in 2019 the World Health Organization (WHO) included a chapter on TCM in its influential diagnostic compendium for the first time may serve as an argument when drafting legislation related to alternative medicine use.

China on par with USA (USA 37%, China 36%) indicates the result of a survey made in collaboration between Pew Research and Körber-Stiftung in Germany. Perceptions of the world's two biggest powers could be shifting in profound ways during the coronavirus pandemic despite the fact that for instance in 2019 Germans were twice as likely to prefer a close partnership with the USA (50%) as China (24%). Further results offer a number of questions which to answer may not be as easy as it seems. Most important foreign policy partner for Germans are France (44%), followed by USA (10%) and China (6%). For the Americans it is the UK (26%), followed by China (18%), Canada (10%), Germany (6%), Mexico (4%) and Russia (4%).

The Ages of Globalization, Geography, Technology, and Institutions is the title of a book written by *Jeffrey D. Sachs* (Professor and director of the *Centre for Sustainable Development* at Columbia University) published by *Columbia University Press* early in June. Sachs provides a compelling account of how geography, technology and institutions have combined to shape globalization over 70,000 years, in seven distinct waves and ages. Turning to world history to shed

light on how we can meet the challenges and opportunities of the twenty-first century which are fundamentally global Sachs emphasizes the need for new methods of international governance and cooperation to prevent conflicts and to achieve economic, social, and environmental objectives aligned with sustainable development. Sachs believes that we are at a *hinge moment* geopolitically, however, as the COVID-19 crisis heralds the end of American global leadership.

Note as a question: If both, the Chinese government officials criticize a *Cold War mentality* in the USA and aren't calling for an end to ideological competition or great power rivalry, but rather to USA attempts to stymie Beijing's plans and China hawks in the USA aren't calling for a new Cold War either, but are willing to take risks in order to push back against an expansive authoritarian power (as they call it) what could be the realistic solution allowing to keep a peaceful cooperation and development in the World?

The destruction of monuments and symbols. The current ideological tensions mainly in USA and Europe have its roots at universities in USA and Europe. They lead to a modern left thinking questioning official basic values and the fundamentals of the Western civilization. Their critical perception of history stands for the visible fragmentation and weakening of the whole West as civilization unit. As the citizens of CEE and the Balkans, at least for the time being are more resistant to modern leftist ideas and actions than the Western European and USA citizens, the elites are more or less indifferent in regard to the events (removal of monuments a.o.). It is highly probable that the social discrepancies around EU would grow, the danger that progressive and racial aspects would strengthen.

This would require a top professional preparation of all EU programs, by-programmes like the related to 17+1 and last not least the next stage of transformation of the current economic-political model. As there is no more mass proletariat in existence, thus a minimal chance for an effective stand up against the nearly total absence of trust, the linear technological development without state regulation and the life-threatening competition it is imaginable that the current model of society especially in the West would be transformed fast into an interim technological society. In such a society the empathy, social and dignity aspects of the majority of citizens would be reduced, in some respect even eliminated. The resulting human waste would be disposed of by modern bio and nanotechnologies. It is highly probable that the current elites-without vision, corrupted economically and intellectually would be replaced by bureaucrats, scientists and technocrats, all using some form of AI. The financial system would refrain from using paper money and increase the use of digital and chip-payments thus complement the already sizeable control over the citizen and the society.

For alternative models one may look also at older works of Club of Rome, beginning with *The Limits to Growth* (1972), *Mankind at the Turning Point* (1974) and ending with *Bildung – Keep Growing* ISBN: 978-87-93791-08-4, E-book ISBN: 978-87-93791-10-7. *Bildung* is a German word that has no word in English. The book describes the complex interplay between individual developments, learning and collective culture and makes the case for folk-bildung as a uniting force that can play an instrumental role in restoring our societies and rebuilding their economies in the aftermath of the COVID-19 pandemic. In other words what the author of this contribution has been promoting for decades: 3 E – ecological, efficient and economic solutions based on open mind, holistic knowledge and perception of the Planet as a cosmic ship. It cannot be ruled and maintained by corrupted people should it fly in Cosmos. Consent not needed.