

USA or China?

Which is more important for the future of humanity in the 21st century?

After centuries of slow inclination towards self-destruction, humanity is finally at a crossroads. The world as we know it has been changed so significantly that inhabiting this planet is becoming increasingly difficult. Spearheading this era of global misfortune are the current two powers of the world, China and the USA. These two economic giants have amassed their positions of power through the careful and convenient exploitation of capitalist structures, contrary to what their proclaimed political inclinations may be. As we look towards these two world powers for the future of humanity, it is critical that we do not accept the facades of change that have been seen throughout history as capitalism morphed from one pretensively hopeful form to another. The stern point of this argument is that there is no positive future of humanity with capitalist structures. Instead, the future of humanity can only be a positive reality if the path taken from this crossroads is an anti-capitalist approach. As such, the future of humanity is reliant not on how these two world powers will maintain their positions of power, but on the willingness of their governments to evolve past the capitalist structures that they benefit from to a more equitable future.

To a misinformed or uninformed mind, setting an anti-capitalist approach as the standard for human progression may seem not only random but generally strange. It is not by coincidence that discourse about Socialism is limited in many Western countries, and that words such as 'Marxism' or even 'Communism' are treated as expletives. As exemplified in the external perceptions of China, it is often difficult for Western individuals who have been so engulfed in one way of life to fathom any alternatives. As such, it is much easier to weaponize not only a foreign idea, but an opposing one rather than attempting to understand it or much worse- allowing others to explore it.

An anticapitalist approach can reasonably be perceived as a radical thought given the capitalist nature existent in almost every entity in the 21st century. However, radical thought may be the most necessary approach to combating the environmental and socio-economic issues that are affecting the globe. In order to truly understand the necessity of an anti-capitalist approach in this context, it is crucial that the woes of capitalism are examined first. The major overarching issues affecting people globally are Wealth Inequality and the effects of Climate Change. These issues are not existent on a whim or from some unfathomable mystical cause, they exist and are perpetuated by powerful and deeply ingrained structures- capitalist structures specifically.

According to a 2022 report¹ by Oxfam there are currently 2,755 billionaires on the planet, while a group of merely 252 men are wealthier than all the 1 billion women and girls currently living in Africa, The Caribbean and Latin America combined. The report states that the existence of such incredulous inequality is "...enabled by skyrocketing stock market prices, a boom in unregulated entities, a surge in monopoly power and privatisation², alongside the erosion of individual corporate tax rates and workers' rights and wages." The contributions of capitalism in this issue are obvious. The prioritisation of privatisation and for-profit activity has allowed those who have wealth, to exploit the system in such a way that not only maintains their wealth, but increases it on an enormous scale.

¹ Ahmed, Nabil. 2022. 'Inequality Kills', *Oxfam Briefing Paper* 10.21201/2022.8465>

² Privatisation is the process of transferring businesses from state-ownership to private ownership.

In the USA the issue of wealth inequality is dire. In an article on The Guardian released in just September of this year, U.S Senator Bernie Sanders penned a daring message to the United States' public. His article³ is entitled 'The US has a Ruling Class – and Americans Must Stand Up To It.' In the article he reveals the shocking statistic that there are three American billionaires today who are wealthier than 150 million of the poorest people in America combined. In the article he discusses the issue of continuously increasing privatisation which has enabled the hoarding of wealth within a very small and privileged group of individuals, while the U.S faces enormously high levels of poverty and food insecurity within poorer communities. He concludes the article with the simple yet powerful statement saying, "Let us stand together and finally create an economy and a government that works for all, not just the 1%."

Commentary from Senator Bernie Sanders is not only fitting because it is appropriate to the issue of Wealth Inequality, but because his self-proclaimed political affiliations also gives insight into the issue at hand. Bernie Sanders, similar to very few other American politicians, describes himself as a democratic socialist⁴. On his political agenda which is enlisted on his official website⁵, his goals include extensive taxation plans, wall street reforms and creating federal jobs for all American citizens to lower the levels of wealth inequality, as well as additional socialist policies such as universal healthcare and state welfare expansions. From an external perspective, these policies seem to be exactly what is needed to solve the serious socio-economic issues that plague the USA today, so one must ask, 'why didn't Bernie Sanders win the US elections?' Any minimally knowledgeable political thinker knows that answering a question like this could never be done using a singular approach, as there are a plethora of contributors to the outcomes of large scale 'democratic' elections. However, personal research has highlighted a theory on Bernie's lack of success that illuminates the greater issue at hand in relation to wealth inequality in the USA.

In an article⁶ written on Vox entitled 'Why Bernie Sanders Failed', Senior Correspondent Zack Beauchamp explores the downfall of the Sanders campaign in the 2020 American elections. The essence of the article is summarised in this one quote, "Americans do not primarily vote as a member of an economic class, but rather as a member of a party and identity group... talking about policies and issues does not really spur turnout." Sanders primarily based his campaign's driving force on class interests, Marxist theories and socialist policies and despite the state of inequality in the USA, the American people did not recognize it as a priority. In fact, in a report⁷ released by the Pew Research Centre, it was identified that

³ Sanders, Bernie. 2022. 'The US Has a Ruling Class – and Americans Must Stand up to It | Bernie Sanders', *The Guardian*

<<https://www.theguardian.com/commentisfree/2022/sep/02/the-us-has-a-ruling-class-and-americans-must-stand-up-to-it>> [accessed 5 October 2022]

⁴ Democratic socialism is defined as having a socialist economy alongside a liberal democratic political system of government.

⁵ Sanders, Bernie. 2019. 'Issues - Bernie Sanders', *Bernie Sanders* <<https://berniesanders.com/issues/>> [accessed 7 October 2022]

⁶ Beauchamp, Zack. 2020. 'Why Bernie Sanders Failed', Vox <<https://www.vox.com/policy-and-politics/2020/4/10/21214970/bernie-sanders-2020-lost-class-socialism>> [accessed 7 October 2022]

⁷ Menasce Horowitz, Juliana, Ruth Igielnik, and Rakesh Kochhar. 2020. 'Most Americans Say There Is Too Much Economic Inequality in the U.S., but Fewer than Half Call It a Top Priority', Pew Research Center

<<https://www.pewresearch.org/social-trends/2020/01/09/most-americans-say-there-is-too-much-economic-inequality-in-the-u-s-but-fewer-than-half-call-it-a-top-priority/>> [accessed 7 October 2022]

only four in ten Americans say battling Wealth Inequality should be the government's top priority. As such, it begs the question of whether the USA is capable of pioneering a more equal and equitable future as a world power if these very serious issues are not given the importance that they require.

Unlike the USA, China does not identify itself as a capitalist country. Instead, it identifies as 'socialist with Chinese elements'. As such, it is fitting that the two countries are not exactly parallels by any definition. Despite the existence of mass production and consumption in China, the issue of Wealth Inequality is only similar to that of the USA in a few ways. The first of these similarities is that Wealth Inequality is by no surprise rampant in China. According to an IMF Working Paper⁸ released in 2018 on Inequality in China, despite there being a significant reduction in poverty over the last twenty years, there has also been a sharp increase in income inequality. However, the paper also states that despite the rise in income inequality, the Chinese population has actually seen increases in real incomes. The paper states, "While the largest gains accrued to the upper shares of the income distribution, even for the bottom 10 percent incomes rose by as much as 63 percent between 1980 and 2015." Yet the attitude towards wealth inequality in China is very different than in the USA. As a result of the increasing levels of Wealth Inequality in the past few decades the Chinese government has implemented several policies and strategies to address the issue. These policies include Social Security structures in which China has accomplished almost universal healthcare for its citizens (specifically rural residents) as well as pension programs for both rural and urban residents. They implemented Pro-farmer policies that provided subsidies to farmers and which also abolished agricultural taxes. Additionally the Chinese government implemented Personal Income Tax Reforms in which the minimum threshold significantly increased, as well as Labour market policies that increased the minimum wage in both the private and non-private sector.

Yet another important issue that will determine the future of humanity, or more literally- if there is an extensive future for humanity is that of Climate Change. It is common knowledge that our planet is facing a climate crisis. According to the Mercator Research Institute⁹ at least 85% of the world is affected by Climate Change. By no coincidence, the top two countries responsible for the most contributions to Climate Change are the USA and China respectively.

As the USA stands as one of the top contributors to Climate Change, their approach on combating the issue is very important for an outlook on the future. The Capitalist nature of the USA yet again plays a role in the ability of the country to effectively combat Climate Change. Firstly, it is well understood that the effects of Climate Change disproportionately affect individuals and communities of lower-incomes. These people have less resources to cope with increasingly dangerous and regular natural disasters and feel the effects of Climate Change first-hand and on a life-threatening level while wealthier communities are shielded from the true brunt of its effects because of their financial stability and flexibility. However, the role of Wealth Inequality on Climate Change is less discussed than the argument reversed.

⁸ Jain-Chandra, Sonali, Niny Khor, Rui Mano, Johanna Schauer, Philippe Wingender, and others. 2018. 'Inequality in China - Trends, Drivers and Policy Remedies', IMF Working Papers, 18.127: 1 10.5089/9781484357538.001>

⁹ 'At Least 85 Percent of World's Population Impacted by Climate Change'. 2021. *Www.mcc-Berlin.net* (Mercator Research Institute on Global Commons and Climate Change) <<https://www.mcc-berlin.net/en/news/information/information-detail/article/at-least-85-percent-of-worlds-population-impacted-by-climate-change.html>> [accessed 3 October 2022]

The reality is that Wealth Inequality (which is a manifestation of Capitalism) is actually one of the major drivers of Climate Change. In a journal article¹⁰ entitled 'How Inequality Fuels Climate Change', the issue of disproportionate consumption amongst the wealthy is discussed. It explains that the level of consumption among the wealthiest levels of society are enormously larger than that of the lower echelons, allowing for a majority of consumption-based emissions to be contributed by the wealthy. The article further states that as a result of this, a "status-based consumption competition" has emerged through which a consumerist mindset thrives within both the upper and lower classes of society.

The USA has made many strides in adopting new policies with the aim of combating Climate Change. Most of these policies are decarbonization efforts that seek to reduce and limit carbon emissions, an example of such policies are Cap and Trade initiatives which seek to put a limit on carbon emissions and essentially monetise any emissions above the stipulated amount. This approach has the potential to be effective only on a short-term scale, as reducing Greenhouse Gas (GHG) emissions only prevents the effects of Climate Change from becoming worse than it already is and does not account for the negative social habits and structures that have contributed to the existence of the issue in the first place. This approach effectively puts a plaster on a gunshot wound while continuously shooting the victim.

On a much more general note, the election of Donald Trump as President of the United States in 2016 gave a frightening insight into the mindsets of Americans on the issue of Climate Change. Among a number of problematic standpoints that the former President held, his stance on Climate Change was nothing short of imprudent. According to an article¹¹ on the BBC, during the Trump Administration there had been over 130 separate moves that scaled back America's ability to fight Climate Change, including leaving the Paris Climate Agreement¹². At a time like this in which the future of humanity depends on the actions we take to mitigate and combat Climate Change and its extinction-level effects, the audacity of the American public to elect a leader with such a blatant disrespect and indifference for such an important issue is not only shocking, but worrying as this world power is supposed to be pioneering the future of humanity.

China is currently the world's largest emitter of Greenhouse Gases (GHGs). According to a report¹³ by Rhodium Group, in 2019 China contributed 27% of the world's emissions, which is more than double of the USA's at 11%. On the surface level, these statistics place China as the fore-runner of the Climate Crisis. In the book¹⁴ 'China's Responsibility For Climate Change' written by Paul G. Harris, the intricacies of China's role in

¹⁰ Green, Fergus, and Noel Healy. 2022. 'How Inequality Fuels Climate Change: The Climate Case for a Green New Deal', *One Earth*, Vol. 5.6 10.1016/j.oneear.2022.05.005>

¹¹ Cheung, Helier. 2020. 'What Does Trump Actually Believe on Climate Change?', *BBC News* <<https://www.bbc.co.uk/news/world-us-canada-51213003>> [accessed 8 October 2022]

¹² The Paris Climate Agreement is an international treaty on Climate Change with 195 countries participating.

¹³ Larsen, Kate, Hannah Pitt, Mikhail Grant, and Trevor Houser. 2021. 'China's Greenhouse Gas Emissions Exceeded the Developed World for the First Time in 2019', Rhodium Group <<https://rhg.com/research/chinas-emissions-surpass-developed-countries/#:~:text=Global%20greenhouse%20gas%20emissions%20estimates%20for%202019&text=China%20alone%20contributed%20over%2027>> [accessed 8 October 2022]

¹⁴ Harris, Paul. 2011. *China's Responsibility for Climate Change* (Bristol University Press, Policy Press) <https://www-jstor-org.ezproxy.uwtsd.ac.uk/stable/pdf/j.ctt9qgv7c.6.pdf?refreqid=excelsior%3A604d9339b1641fd137d9ef69804b307c&ab_segments=&origin=&acceptTC=1> [accessed 8 October 2022]

the Climate Crisis is explored. The book attempts to explain ethical limitations of China's responsibility in the Climate Crisis, stating that,

“...the Chinese government rejects internationally binding limits on its GHG emissions for very good ethical reasons: the developed countries polluted the atmosphere as they became wealthy, so they ought to reduce their emissions before expecting China to do so.”

The approach of that argument has the right motivations but is fundamentally flawed. Firstly, within the past decade the Chinese government has entered into several international agreements with the aim of combating Climate Change, most notably the Paris Climate Agreement in which China has pledged to become carbon neutral by the year 2060. China is also a party to the United Nations Framework Convention on Climate Change (UNFCCC) and has joined forces with the European Union through the establishment of the High-Level Environment and Climate Dialogue (HECD) in 2020.

Secondly, in terms of comparing China and the USA's emissions statistically, a CNN article¹⁵ published in 2021 more accurately depicts the truth of the situation than the stance of Paul Harris mentioned previously. The article states that despite China's rise as the main global emitter of GHGs, “No country in the world has put more greenhouse gases into the atmosphere than the United States.” The article stresses the importance of attributing the responsibilities of Climate Change on a cumulative scale, as the issue of Climate Change has come about as a result of about two hundred years of emissions starting mainly during the Industrial Revolution at which time the USA and England were the main leaders. The article provides the statistics that in total China has emitted 284 billion tons of CO₂ since 1850 while the USA has emitted 509 billion tons. Additionally, the massive geographical and demographic size of China in comparison to the USA should be taken into account. The article states that in 2019 the emissions per capita of China was 10.1 tons while the USA was 17.6 tons. These statistics do not stand as an excuse for China's contributions to Climate Change, but are important in accurately identifying the roles that each country has played in the issue. Furthermore, the attitude of the Chinese government has set them apart from the United States in their efforts to combat Climate Change. The Chinese government has invested heavily into clean energy sources and has even become the world's largest supplier in renewable energy according to Carbon Brief¹⁶.

The future of humanity only relies on the current state of the world in relation to its potential to change. Both the USA and China have established themselves globally as world powers through the unsustainable and unsavoury structures of Capitalism, which has allowed for the issues of Wealth Inequality and Climate Change to negatively affect lives across the globe and threaten the future of humanity. The distinction between these two powerful nations is that the USA has been dominating the World Economy for several decades but is yet to bring forth a policy that is not a regurgitation of capitalist ideals. In contrast, China has newly emerged as a world power within the past two decades and despite relying on capitalist methods to amass this power, they have retained a socialist approach in dealing

¹⁵ Regan, Helen, and Carlotta Dotta. 2021. ‘US vs. China: How the World's Two Biggest Emitters Stack up on Climate’, CNN
<<https://edition.cnn.com/2021/10/28/world/china-us-climate-cop26-intl-hnk/index.html>> [accessed 8 October 2022]

¹⁶ Myllyvirta, Lauri, and Xing Zhang. 2022. ‘Analysis: What Do China's Gigantic Wind and Solar Bases Mean for Its Climate Goals?’, Carbon Brief
<<https://www.carbonbrief.org/analysis-what-do-chinas-gigantic-wind-and-solar-bases-mean-for-its-climate-goals/>> [accessed 8 October 2022]

with consequent issues and as they have shown their willingness to evolve into the powerful, 'modern' China that exists today, their potential for change is significantly greater than that of the USA's and proffers them as the pioneer for the future of humanity. Karl Marx was famously quoted¹⁷ saying, "The philosophers have only interpreted the world, in various ways. The point, however, is to change it." The future of humanity is reliant not merely on what exists today, but how it will change for a better future.

¹⁷ Marx, Karl, and Friedrich Engels. 1995. *The German Ideology- Thesis on Feurbach* (New York: International Publishers)

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