

## INTRODUCTION

For decades, liberal democracies deluded themselves that the modernization of China would also determine its democratization. After the collapse of the Berlin Wall and the subsequent dissolution of the Soviet Union, *the US foreign policy establishment* - and others - nurtured this certainty within a broader foreign policy of "exporting" freedoms and democracy. Even the much-vaunted victory in the Cold War resulted in pure illusion. Two powerful states, such as China and Russia, believed the time had come to push against a weakened and confused West. It was dreamed that economic liberalization in the world's most populous country, China, would automatically lead to political freedom for its citizens. We convinced ourselves that the diplomatic commitment of the West and Beijing's integration into the international economy, with its entry into the World Trade Organization (WTO), would mitigate the authoritarianism of the Communist Party of China (CPC).

China, on the other hand, deliberately took advantage of this opening, without accepting the values that supported it. At the time it seemed like the right decision but now it has become a strategic mistake. Beijing is connected to global trade and financial systems in ways that create risks that will be exceptionally difficult to untangle.

Serious mistakes have been made, also fueled by an omission to evaluate the conduct and intentions of the Chinese Communist Party (CCP) and by a short-sighted mercantilism that has chosen to put its own interests before the general ones of state security.

The goal of minimizing friction between international economies is the basis of many rules and institutions after the Second World War. Such democratic governance is now under constant threat from China, Russia, Iran and other countries, all united by an anti-Western and revanchist sentiment.

Extricating yourself from economic ties is less difficult when dealing with Russia because its economy is in decline. But with China it is different. It is rich, industrialized, controls the most important global supply chains and many nations depend on it. Furthermore, it is strongly technology-oriented, with President Xi Jinping pursuing global leadership in the sector.

Even the CCP's interference in the international economy is not easily detected, and the Party continues to use its might as a cudgel to force companies and nations to do things they would not choose to do without coercion. Beijing wants global preeminence and, for this, uses all the arsenal at its disposal: operations of influence, economic, political, diplomatic, military co-optation. Methodologies and tools that often go beyond international legality.

Beijing is a major revisionist power that for decades has amassed wealth, developed world-class military capabilities, and spread its influence across the globe with the long-term goal of rewriting the international order.

The CCP does not explicitly export its model of Marxism-Leninism but instead markets elements of Xi Jinping's "Party-State" system and its concept of *governance* as an alternative to Western conceptions of political and economic organization. The Party's refusal to disown Russia and Vladimir Putin for invading Ukraine is perfectly consistent with this idea.

The time has come to adjust the regulations, find new alliances between like-minded countries and secure their economies. It's not about ending ties with China. But the modernization of regulatory processes becomes the

prerequisite for self-defense. New rules are needed, such as the screening of sensitive incoming and outgoing investments and rules for Western business in China, limiting the use of Beijing's technology which translates, due to the civil-military fusion law, into its constant violation of the internal sovereignty of states. Perhaps new Organisms are also needed to do this.

We must work to regulate the new globalization that awaits us.

After the end of the Soviet Union, the global economy was restructured to facilitate the flow of money, technology and goods. But the global market thus created is also increasingly distorted by political risk.

The war in Ukraine marked a major shift in the global order. You have to study and understand what to do. The problem is also complicated because it is "dynamic" and involves many aspects of society.

It has not been easy to collect data and documents on China and this work does not have the ambition to be complete and exhaustive. Too much opacity that still pervades much of the internal official documentation. The goal is to provide an initial set of tools for getting to know and delve into Chinese institutions and understanding their risks.

It was decided, therefore, to divide the work into two parts. The first dedicated to a general understanding of the universe-China (curated by Gabriele Iuvinale) and a second with a focus on some of the most burning issues concerning the economy, the violation of human rights, digital authoritarianism, Covid and US-China relations (edited by Nicola Iuvinale).

We must remember that freedoms are not given away, they must be conquered and defended every day. And all of this comes at a price that history now asks us to bear.