

Historical
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chose history ?

SUPERPOWER **GAME** **AND INDUSTRIAL** **WAR**

by Xiaohong Yao



Xinhua Publication House

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Preface

Is it the historical choice or history of choice ?

After reading Xiaohong Yao 's " Superpower Game and Industrial War"

By Zhenqiu Gu

In Chinese history even in the world's history, some dark periods lasted for over hundreds, on the contrast, some of bright historical moments were shining for thousands years. Undoubtedly, the glories arose from some great men. They either become ever-burning lamps lightening for human spirit's black hole because of their thoughts, or have changed the world's pattern because of feat, or made large leaps of humans development because of a seemingly simple invention or discovery.

In a small town of Xinyu, China, 300 years ago, a man called Yingxing Song , wrote a book "Heavenly Creations", an industrial bible admired by posterity, letting the world see the earliest budding during China's industrial age. History chose the Europe as the beginning point of the world's industrial revolution, but had the industrial godfather born in China. Hundred years later, when industry becomes a special revolution what changes people's life every day, we can see the world becomes more and more brilliant because of industry. Industry becomes supporting steps of human civilization. The world without gunpowder is upcoming other games at battle fields. The back of traditional, modern, technological, cultural, industrial strategies are competitions among superpowers. Politics and military power are always prior to industry. Industries have become driving force behind, pushing the world to an unknown future with imagination. For China, in such an ongoing the world's industrial game, the first sign of starting the world's fourth industrial revolution has emerged. The prologue of future is kicked off by Xiaohong Yao's Superpower Game and Industrial War.

Xiaohong Yao was born in the same place with the world's industrial godfather who was born before three hundred years , which looks like a historical coincidence. But he seems to carry the ancestor's mission. Several years ago, he went to the southern of

China, in a small town of Guangzhou, to start his industrial journey. Ten years later, this ancient town became a truly light metropolis in the world. The one industrial attempt made him become a marked man in Chinese industry circle.

However, it actually was not his dream. Because he saw the smoke cloud of world's industrial competition relying on lights illuminating every corner in the world from the ancient light metropolis. He saw the new world pattern behind smoke cloud dissipating. Under this industrial environment, he thought about the superpowers' future and industries could brought to the changes for the world. Thus, he wrote the Superpower Game and Industrial War.

The core of superpowers' histories is industrial histories, and the world's competition is an industrial one. In the book, Xiaohong Yao described a series of crisis including political and military one as well as deep background and real reason for big crash in the world's development process. Thus, we can clearly see why the British used thousands of guns to pull down the Qing Empire which lasting a few hundred years. Similarly India, an ancient world civilization country with thousands of years of civilization, keep silence for being a colonial country for such a long time. On the contrary, we can see how Japan, an island country with poor resources, becomes a world superpower boosted by industry. For most people, the history of the two world's Cold War was confrontation of doctrine and concept. However, through coat of doctrine, Xiaohong Yao has noticed industrial competition and benefits games with oil smell. From the Cold War to the establishment of New World Order, changes of the world was ever dizzying in recent several decades, however promoting this just was power of industries. The world has completed three industrial revolutions, and the forth industrial revolution has quietly begun. Jobs told his earlier collaborator at the beginning of his business: "follow me to change the world." From that day, the forth industrial revolution started to demonstrate its amazing power. It was not his personal rhetoric, but the harbinger of future industries. In this book, Mr. Yao panoramically demonstrates the prototype of future industrial development.

Moreover, the real purpose of this book is its future guidance. Where would industries lead the world to? For those superpowers, once led or leading the world, what

national strategies and industrial strategies do they have? Who would own the next era? The U.S., EU or China? or "Zero Group" called by the US former financial minister? Xiaohong Yao analyzed direction and characteristics of world's future industries, and put forward how to boost new strategic industries in developed countries and what national strategies will demonstrate in the boosting process. For China, in the future industrial development, it may face difficulties and opportunities. Accordingly, he proposed a new global industrial competitive model which will possibly impact the future world pattern, and he firstly brought out a "world city" concept, which might be built by China, US and Germany. Therefore, he will explain this concept to the United Nations.----"world city", perhaps a terminal of future world industrial cluster, and it is a symbol of intelligent earth. Well, would it happen in China? If in that case, this man born in the same place with Yingxing Song, perhaps will complete Yingxing Song's unfinished mission. Thus, is it still far away from the future industrial godfather for him?

The world is like Great Chessboard, where superpowers are playing the games.

Currently, Cold War has ended. The two mutually contradictory camps has disintegrated, but superpowers games still continue. With deepening globalization, interdependence among countries gradually increases. Many major issues could not be solved alone by one country, even the only superpower like US also need international cooperation. As long as there is cooperation will have differences, correspondingly, as long as there are differences will have games. Games are for the purpose of achieving maximum interests. In the world pattern.

Superpower Games relies on game rule, national power and international strategy. China is adjusting industrial structure and establishing reasonable industrial pattern. Undoubtedly, industrialization is an important chess in superpower games, as well as a significant part in national power. Whether it can be applied well is directly related to the outcome of a game, in turn depending on the proficiency of game rule and international strategy as well as the courage and boldness to seize opportunities.

Currently, the game has started, as a permanent member of the UN Security Council and the world's second largest economy, only participating in the games could make China win the international industrial war and protect national fundamental interests

effectively. In addition , there is no other choice.

History is in reincarnation, but is never repeat. China has the opportunity to grasp the future and become a leader in future's industrial war. We have always followed historical choices, but also always chosen history at the same time, regardless nation or individual.

(the Author is Director of Xinhua News Agency, UN Branch Office)

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Overview

This is an era of "The Race between Tortoise and Rabbit". In attention, or even just a little nap, would make "Rabbit" lag behind "Turtle" riding on a rocket. This is an era of industrial powers. With strong industrial support, indomitable spirit and courage, a country could encounter any challenges without any fear. This is also an era with industrial competition and superpower games. Almost every country is seeking prosperity, coming up with its own "technological skills" and "industrial advantage". The leader would like to remain its leadership, while the laggard is eager to catch up. Thus, industrial wars without smoke of gunpowder got started.

On April 27, 2012, the last trading day for the U.S. stock markets in April, Apple's market capitalization exceeded more than 560 billion U.S. dollars. This time, nobody knew that, where the "third apple", changing the world currently, would lead the world we live in to. When the first apple seduced Adam, the second one hit Newton, then the third apple would let humanity future full of imagination, getting closer to myth. There is no doubt that this is due to industrial power.

Without a strong industry, even a superpower would also be weak; alternatively, with a strong industry, even a small country would turn to be a superpower. From an overview of nearly 300-year world economic history, we could easily obtain an irrefutable law, that is, domestic industries constitute a source of national wealth. Developing and fostering domestic industries is the only way for the western countries to achieve prosperity, for example, the United States, the United Kingdom, France, Germany, and Japan of the developed country, all having such a characteristics.

The United Kingdom is the world's first country which firstly completing the Industrial Revolution, and achieving industrial industrialization. From the late 18th to the end of 19th century, its industrial development was far ahead of other countries, which was truly the World's Factory. The reason why the UK's industrial industry was able to be stronger than other countries is that it first recognized the importance of developing domestic manufacturing industries. In the late 17th and early 18th century, the British government took various initiatives to protect and strengthen the domestic industries. The Parliament promulgated decrees for multiple times in order to foster

domestic industries. In such a situation, the British industrial industries eventually stood out among the Western countries. Up to the 18th century, the United Kingdom had already been far ahead of other countries, becoming the world's most powerful, most efficient advanced nation. Mr. Paul Kennedy once commented that, "The UK is the first frog egg growing legs, the first tadpole changing into a frog, and the first frog jumping out of the pond".

After the U.K. firstly realized Industrial Revolution, it used "free trade" banner to suppress latecomers. But France, Germany, the United States and other countries, who closely following the U.K., successfully resisted the temptation and pressure from the UK, after experiencing harmful superstition and harsh reality lesson. These countries clearly recognized that only domestic industries were a source of wealth, and hence ultimately achieved independent industrial development, and occupied upstream of industrial chain in the world, becoming the world leaders in the first phalanx.

The United States' industrial development process is even more typical. Before its independence, the U.S., as a British colony, was unwilling to lie low under the Britain industrial system, so an independent from the U.K. turned to be the best manifesto.

After the independence, the U.S. founding leaders paid great attention to industrial development from the very beginning. Far-sighted President Washington wore specifically a domestic-made garment in the inauguration, which not only had "shown" his own style, but also used such an action to tell people: the United States should seek to achieve an independent industrial development on its own to realize a prosperity.

After the independence of the U.S., the first Secretary of the Treasury Hamilton spared no effort in encouraging the development of domestic industries. In "The Report on Manufacturing Sector" finished in 1791, he put forward two important points: one was an implementation of industrial protection, and the other was an implementation of trade protection. It was these two consistent, sustained basic national policies that helped the United States become "the king of the world". In 1894, The total industrial output value of the U.S. is equal to twice that of the UK, equivalent to half of the total industrial output by the European countries, ranking first globally as the world's strongest economic and industrial power.

Since then, the U.S., leading the Second and the Third Industrial Revolution, has maintained a long-term economic and industrial development as the world's most powerful nation that couldn't be shaken.

At the same time, because of unbalanced industrial development among the superpowers, and competition for resources required for the industrial development, there broke two oil-related world wars in the first half of the 20th century, ultimately resulting in losers' suffering huge losses while winners wining too much.

Yet after the World War II, the world's industrial development hasn't complete a rational transformation, which is leading to a military industry booming, the two hostile camps in the United States and the Soviet Union led to the cold war make the people in the ideological confrontation tightened war strings, but also stimulating rise of space industry. After the Cold War, the world's major powers are eager to develop information industry, new energy industry and biotechnology industry, conducting in-depth research and practice of development. After the world financial crisis in 2008, however, they become suspicious about financial industry and virtual economy. The good news is that, cultural industry also enters the spring season at this time.

Compared with the world's major powers, there China, as a developing country and also a huge one in the East, still exists a big gap . Although in 2010, China has become the world's second largest economy in terms of total economic output, it still has consideration potentials in upgrading the overall strength.

Looking back at the development of China's modern industry, it could be described as a tough one. As early as 2300 years ago, "Rule of Law" during China's Warring States period proposed that "A country's prosperity is based on agriculture and military power", revealing importance of agricultural and military sector to a country. Although China had advanced thinking and leading technology before and liberalized and glorious era in the history, it has always been stagnating in "the short board of industrial innovation", letting 2000 years passing by fruitlessly.

When the First Industrial Revolution was developing at an accelerating pace, the Qing Empire was still satisfied with its self-sufficiency farming civilization, self-appreciated closed-door policy. Underdeveloped business and pale overseas trade

exposed the Empire to hidden risks. Soon, the strong Western powers opened the Empire's door with gunboats.

Hence, defeat in two Opium Wars and First Sino-Japanese War were three hardest hits to China. Subsequently, although the Qing Westernization Group, under the banner of "Saving the country by developing industry", proposed that "A long-term stability only relies on industrial self-reliance" as a strategy, and took the first step of China's modern industry, the Qing Dynasty's collapse is still unavoidable.

The success of the 1911 Revolution made the revolutionary forerunner Sun Yat-sen upgrade "Saving country by developing industry" to "industry flourishing", proposing "productivity development leads to richness, otherwise to poorness". By this advocating, industrial salvation of the nation became most the most popular and hottest policy. However, due to foreign invasion and many civil wars, numerous Chinese great men still failed to save the country. For nearly 40 years subsequently, China's industrial development had made little performance.

Until 1949, when new China was born, it only took five years to lay a preliminary foundation for its industrialization. After 30 years subsequently, China's industrial development experienced fits and starts due to volatile industrial policy. Despite frequent mistakes, fairly speaking, China has made big progress without overall losses. In 1958, Chinese leaders called for resoundingly that "we would also make satellites". Based on that, China started to march towards space, and in 1970 launched the first artificial satellite, becoming the world's fifth country launching domestically-made satellite with self-made rocket, next to the Soviet Union, the United States, France, and Japan, which has greatly raised Chinese people's confidence in becoming one of the world's powers.

From the 1980s, the goddess of fortune came to China where the reform and opening-up policy, together with entering WTO, have brought China with unprecedented opportunities for industrial development. China's industrial development at almost a "rush" speed has shocked the world. The honorary title of "World Factory" makes Chinese people very excited, but then awoken from being excited, and later feel embarrassed because Chinese people have embarrassing to found out that, the China's industrial status at a low-end industrial chain, has led to a predicament for Chinese

industry seeking a breakthrough.

Development of domestic strong industry is a solid foundation for country's prosperity, the best ruler to measure national strategies as well. With improvement in China's scientific and technological strength and development in manufacturing technology, the low-end industrial chain-based industrial chain structure would be changing. Its industry is expected to upgrade to a higher level of industrial chain. Thus "pupation for butterfly". Positive changes, resulted from globalization, in such a technological innovation provide a smooth channel.

Michel Porter, Father of "Competitive Strategy" pointed out that, "Competitive strategy is the mainstay to withstand any economic storm. Once an enterprise has set an effective competitive strategy, no matter in what economic storms can be invincible". "From the national level, the only meaning for competitiveness is national productivity. Accompanied by economic globalization, industrial competitiveness has become a determinant for a country's status in the global economy".

"Boundless sea makes the sky seashore; mountain peak is where I climb to". Road ahead never has an end. Today, China's industrial development has come to a critical point on edge of eruption.

"Industry develops rapidly, rising as high as nine thousand miles". We are convinced that China now has been getting stronger in the world's industrial competition that no one could stop its development. With its enhancing industrial competitiveness, China would be put it into "the first phalanx" of the world's industrial powers and make talent showing itself will certainly be achieved - although that would be a long way to go!