

China's Rise as an International Factor: Connecting the Dots

François Godement

The term 'peaceful development' has created ambiguity. It fails to capture the extent to which China has become a global influence whose economic policy decisions are essential to the world multilateral system. China's international strategy can no longer be guided only by the quest for 'stability' and by the principle of non-interference, because change and interdependence are a hallmark of this century. Neither can a relationship with the United States alone define China's international strategy. Hopefully, China will understand the usefulness for rising powers of making long-lasting compromises, and it will strengthen instead of weaken a set of international institutions that have allowed for the most prosperous and peaceful era in human history.

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President Cui Liru's approach to China's international strategy and foreign policy is a familiar one, and especially his 'inside out' perspective that China's partners should always remember. These partners are seldom at the top of the Chinese leaders' agenda, however, not even the United States which, fascinatingly, is the only foreign country cited by Cui in a contemporary context. Governing China is an absorbing task. It is complex enough in its own right, since China's economy is propelled forward by the forces of globalisation, but its society is ripped apart by the extraordinary pace of modernisation. These new issues come on top of problems that have been bequeathed either by its long history of bureaucracy, or by the existence of what is essentially a one-party system. Self-balancing, without the benefit of direct elections and the relief that comes from the chance to fire incumbent leaders when their policies fail, is difficult. Given the difficulties of the industrialised West to address its own economic governance, many influential

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Chinese experts – and not only them – speak of a democracy trap. They highlight that China's governance by means of a system of checks without balances and with literally no contest for power except as an intra-party process, is best suited to preserving the Chinese government's other main goal: stability. That goal overrides all others.

Stability is a key word that can apply both domestically and in an international sense. Indeed much of China's foreign policy since 1976 has been explicitly focused on stability. This has been true for the global and regional balance of power, where 'no surprise' could well be taken as China's motto. And it has also been true from an 'outside in' perspective: values and rules drawn from the West or under its influence have been seen as a threat, which justifies China's principle of 'no interference'.

Rising or risen?

We will return to stability, because the concept has broad relevance in an era of power shift, even though its application is very elusive. Interestingly, Cui never uses the word and, instead, acknowledges frankly that China's rise is the main factor and the one that requires adaptation from its partners as well. He cites the influential Zheng Bijian, and mentions the debate which led to "peaceful development" being adopted rather than "peaceful rise". This brings to mind a small international seminar led by Zheng at the Boao Forum in April 2004, when this debate was ongoing in China. While Zheng proceeded from the domestic priority of development for China, Chinese diplomats worried about the implications for foreign policy: if China admitted it was on the rise, it would be asked to take on many international responsibilities which it was not keen on shouldering or simply could not shoulder. That the Chinese term for 'rise' is even more forceful did not help. Foreign Ministry views won that particular debate, and 'development' prevailed over 'rise'.

Largely for negotiating purposes on international trade issues, China has stuck to its status as a 'developing' economy, even though the real situation has now clearly changed. A frequent remark in China is that China is now "a rich country with many poor people" (*fuguo qiongmin*), which accurately reflects the new reality: China holds the world's record for currency reserves, more than three times its nearest competitors. But it also holds the record among large countries as the world's most unequal society with a probably understated 0.49 on the Gini inequality coefficient, which also nearly constitutes a world record.¹ From an outside perspective, treating China as a developing economy misses the point that the country now exerts huge economic influence.

¹ South Africa's 50 million people, with the legacy of racial divide and huge natural resources, is even more unequal. The United States is not far behind.

In fact, just as Cui rightly returns to the perspective of a rising China, he mentions a global shift to “power-sharing with developing countries represented by emerging economies”. We are not sure that developing economies feel represented in every way by emerging – or, in the case of countries such as Korea or China, emerged – economies. But in any case, this new category, and China’s reasonable chance to move up from the world’s second to its largest economy, place new requirements and requests on its doorstep. The age of globalisation, started in 1945 and rekindled by the financial and trade liberalisation of the 1980s, has created exceptional possibilities for developing economies. No one has captured these possibilities better than China. But China can no longer hide behind a fig leaf, even if that leaf was put there by the late Deng Xiaoping.

The need to eliminate ambiguity

Indeed, in 1989, Deng Xiaoping made a famous statement, which is usually only partly reported and also somewhat mistranslated: while one of its terms was, in the generally accepted translation, a call for China to “hide its talents and bide its time”, another was to “make contributions where relevant”. Deng’s statement – made in the wake of international sanctions against China in 1989 – was indeed defensive. Yet it left a door open for China to take on international responsibilities. But it is generally Deng’s first term that is used publicly.

Both “peaceful development” and “hide one’s talents” have created ambiguity. Indeed, the first term fails to capture the extent to which China has become a global influence whose economic policy decisions are essential to the world multi-lateral system. The second term, actually worse in Chinese since *taoguang yanghui* really means “avoid light and seek obscurity”, has fuelled international worries that China will not commit itself to any particular policy until it has become a super-power. Cui is correct that any displacement or power shift in the international hierarchy creates suspicions and misgivings on the part of the established powers, who tend to see their own dominance or influence as just. But it is also true that one of the main catchwords for China’s foreign policy has now backfired. China has shelved the resolution of many international issues and quarrels. It has practised pragmatic restraint or the time-honoured solution of sweeping problems under the rug. It has joined almost all international institutions but remains a largely passive and sometimes negative member. Creating or sustaining coalitions of the unwilling is certainly preferable to a revisionist challenge on international stability.

China is a full-fledged geopolitical power

But this choice is wearing thin for several reasons. First, it is not congruent with the sharp and steady rise in China’s military budgets over a generation. That trend is

now matched by a nearly similar rise in defence spending across Asia, in fact putting Asia above Europe for the first time in history. This means China's military are acquiring a long arm – how long is still a matter of debate, but the trend is clear. This is a main difference between China's rise since 1976 and Japan's postwar economic miracle or, for that matter, Germany's economic rise within European integration. Japan is not a permanent member of the Security Council. It operates its defence and foreign policy under very strict constraints dictated by a lingering history. It has stuck with the non-nuclear principle. One could also argue that European member states, with declining and often very low defence budgets, are increasingly unlikely to manage more than one international security challenge at a time, unless of course they team up with the United States. By contrast, China is expanding its military means and is neither constrained by its own history nor anchored in a regional collective security.

Second, things happen. In particular, the global frenzy for new energy and raw material resources is creating very real and urgent territorial conflicts that could formerly be understated or confined to the realm of symbolic protest or domestic political activism.

Third, China's strong bilateral ties to many countries, its important international aid, often trade-linked, its public diplomacy and soft power mean that China's abstention, not to mention the cases when it chooses to say no, have consequences.

This makes it only logical that questions are asked of China. One of them is in fact answered neatly by Cui. He acknowledges that China's growth model is "the brainchild of a marriage between Oriental and Western civilisations". Although there never was a 'Washington model' other than a set of recipes within the International Monetary Fund and the World Bank, the soft power and influence of the United States succeeded from World War II onwards because America was, indeed, open and inclusive. When it wasn't – in large parts of the developing world in the 1950s – it fed bitter and lasting enmities. Europeans have matched this by creating the largest and most open regional entity. It is neither purely an area nor a superstate, and therefore eschews fundamental hard power issues in ways that may later come back to haunt us.

What about multilateralism?

But what about China? Fascinatingly, Cui uses the expression "multipolar world" several times and his description of what he thinks is an overarching relationship between China and the US ends with the prognosis of "a rough sea ahead". Not a single international organisation or treaty is cited by Cui, and so it is only natural that he ignores the term "multilateral". He is being frank, and at the same time this places him at the heart of the very large realist school in China's community

of strategic thinkers. This opens up other questions, however, which don't necessarily fall into the category of thoughts about the "China threat".

What follows is a European rather than an American view – demonstrating that the West has different perceptions and experiences.

First, US forward defence, extending to the borders of China and into space, is not necessarily an eternal requirement. But China has neither settled nor even compromised on long-standing territorial claims with almost all of its maritime neighbours, and with India. There have been bilateral or sub-regional thaws or even honeymoons, yet none have been accompanied by an internationally binding legal commitment to compromise or restraint. In this sense, the issue of stability in the Asia-Pacific has become paramount: without clear commitments by the rising power, all others feel insecure.

Second, China's commitment to non-proliferation has been selective or reluctant. It is true, even if Cui does not mention it, that China can claim a double standard in the West's treatment of India's accession to nuclear weapons. But in the cases of North Korea, Pakistan and Iran, it is China that is in the hot seat. To Europeans in particular, the issue of Iran acquiring a combination of nuclear and ballistic weapons is a core security interest. This is where we find that Cui's failure to mention international cooperation and norms, and his confident prediction that geopolitics will go multipolar, are very disquieting. We don't think the future possibility of war lies only in incidents at sea in the Taiwan Straits or the Yellow Sea. Having crisis-preventing mechanisms with the United States in these regions may be useful, but it does not cover the entire range of possibilities.

Learning from analogies with other rising powers

This opens a third and more fundamental question. Strategic debate in China has blossomed, with some strange flowers appearing on the landscape. Perhaps this is unavoidable in a context of liberalisation, and indeed we wish well to the "political reforms" that Cui mentions in the context of a new generational change. But we must come back to an analogy that Cui cites, only to reject it. This is the analogy with pre-war Japan and Germany, to which we add some postwar developments as well.

Whatever misgivings we may have about China's tight-fisted trade and financial policies, or about the remaining governance issues, there is simply no comparison with the Germany or Japan of the 1930s – China is infinitely more open and flexible.

But what about an earlier era? In the 1920s, Japan, in particular, was torn between a desire for international equality and recognition, and an impulse to apply force in international politics – justified by being a late-comer in a world where many of the spoils had already been grabbed by the colonial West. Fear was

in fact a driving force behind Japan's power play, and as this generated mixed responses, ranging from accommodation to containment and sanctions, a country that had been on the path to democracy turned to military expansionism. At key moments in its rise, Japan could have looked for compromise, including with China. The inability of its leadership at the time to commit to stability led it to self-destruction in the end. Almost inversely, since World War II and perhaps to this day, Japan has been so intimidated by its own past that it has missed the chance to make a lasting imprint on Asian regional construction. Conversely, Germany has given multiple security and political assurances – none so important as the decision, taken by former Chancellor Helmut Kohl when the Wall came down, to recognise in perpetuity the Oder-Neisse border in the East.

Beyond the East-West divide

In the 19th and first half of the 20th century, China's nationalism was shaped by the fact it was more often than not the victim of international power plays. This has shaped an official guilt-free political culture in international terms. Yet neighbours and partners cannot be reassured by the cultural explanations, created by some, that China will apply the excellent strategic principles of the Qin dynasty (ca. 3rd century BC) or even the commercial diplomacy of the Ming.

We welcome the confirmation by Cui that he sees China as much as a part of Western culture as an exponent of Oriental civilisation. China's dynamic society is increasingly global, its economy is an international powerhouse. We hope China will understand the usefulness for rising powers of making long-lasting compromises, and that it will strengthen instead of weaken a set of international institutions that have allowed for the most prosperous and peaceful era in human history.