U.S.-China Economic and Security Review Commission Hearing on 21 July 2005 "China's Growing Global Influence: Objectives and Strategies"

China's approach to relations with the world: Written statement submitted by Steve Tsang (St Antony's College, Oxford University)

A rising power that is often deemed a potential superpower with the ability to rival the United States, China is generally seen as the most important emerging regional power. While such a view appears to be justified if one looks at China's military capabilities**,** growth rate and the focus of its security and economic policies, this is also misleading. Both historically and since the founding of the People's Republic in 1949, China in fact sees its relations with the rest of the world in a global rather than a regional perspective. Its short term focus upon East Asia is dictated by realism and its particular approach to dealing with the outside world, which is intricately tied to its view of history. Whether China can and will become a superpower also remains to be seen.

The Chinese Perspective

Even though the mainstream or Communist Party approved view of history in China deviates significantly from a judicious reconstruction and assessment of Chinese history in key areas, it nevertheless reflects and reinforces the way how the Chinese leadership sees China and its place in the world. In its officially endorsed history China was the most advanced country and the centre of civilization at least since it became united under the First Emperor in 221BC – until this was changed by the rise of Western imperialism in the nineteenth century. In this view civilization flourished when China was a united country and dominated in a 'benign way' the world within its reach – those who lived beyond the reach of its civilization were generally dismissed as barbarians. There is therefore an unspoken understanding that the restoration of China to the pre-eminent position that it historically enjoyed, before it was successfully challenged by Queen Victoria's British Empire, will be a positive and civilizing development for the world.

To make this view easily comprehensible, imagine how the citizens of Rome would have felt if the Roman Empire, a contemporary of China's first empire, had continued to exist as a united empire (albeit interrupted by periods of disunity) and as the world's premier power and technologically and administratively the most advanced state governing most of Europe for almost 2000 years. Such a view of history accounts for China's Sino-centric worldview.

Seizing on Western powers and Japan's imperial activities in China following the first Anglo-Chinese War (1839-42), which marked the beginning of China's 'century of humiliation', the Chinese Communist government played up the theme that China was a victim of imperialism. In the officially approved view in China, imperialism is either Western or Japanese or even Soviet in origin but it is never Chinese regardless of the nature of Chinese rule in, say, Tibet. Following this line of thinking China has a right to redress this 'century of humiliation' and to restore itself to its 'rightful place'

in the world. The retrocession of Hong Kong from Britain in 1997 was therefore seen as a landmark in this direction. What is now deemed the most important legacy of Western, in this case American, imperialism is the separation of Taiwan from China. China also tends to look at the world in a global rather than regional perspective as the concept of Asia was an alien one in pre-modern China. The idea of China being part of Asia is a modern import.

To say that the Chinese worldview is essentially global does not imply China does not behave like a regional power as well, particularly before it can build up sufficient 'comprehensive national strength' to enable it to challenge US dominance. Realism and a hard-nosed calculation of interests and capabilities apply as much to the Chinese as it does to most governments. Thus, the Chinese government accepts that in capability terms it is still only a major regional power, and must adhere to the late Deng Xiaoping's dictum to bide its time before seeking to restore its 'rightful place' in the world. In this interregnum, and in light of the US pre-eminence in the post-Cold War world, China puts great importance on international organizations in general and on its United Nations Security Council seat in particular. They are useful in countering the preponderance of the US. Furthermore, while it is still building up its 'comprehensive national strength' it refrains from taking an assertive role in world affairs other than protecting its interests. Although it is not articulated China reserves the right to change its attitude towards multilateralism and international organizations when it is ready to assert its 'rightful place' in the world.

Another key concept that underlays the Chinese approach to relations with the rest of the world is that of the United Front. This is not a policy but a methodology inherited from the era of Mao Zedong. In the simplest terms, the United Front requires the Chinese Communist Party to identify a principal enemy, its supporters outside the Party, and the intermediate zone full of 'wavering elements' that can be won over by either the Party or its principal enemy. The Party's task is to destroy the principal enemy, which requires the Chinese Government to work hard to win over the intermediate zone and isolate the principal enemy. Once this has been accomplished the Party will move on and identify from the intermediate zone a new principal enemy. This will become the target of focused attack in this new stage until it too is destroyed. The process is to be repeated until all in the intermediate zone have come under Chinese leadership.

China's approach to the world

By drawing together the various forces that affect the making of China's policy towards the outside world and applying them to the current international scene, China's handling of its external relations can be put in context. There are three dimensions that come out strongly:

In general terms while China is building up its 'comprehensive national strength' it needs a stable and peaceful international environment to ensure rapid growth under the leadership of the Communist Party.

In national security terms, China's main focus is Taiwan, and until this 'principal contradiction' has been resolved to its satisfaction, it is China's policy to reassure the rest of the world that China has no territorial or aggressive ambitions.

In the long term and when China is ready it will assert its 'rightful place' in the world, which may require appropriate changes being made to the international system.

The first dimension requires China to present itself and act as a 'status quo power' in the foreseeable future notwithstanding its own agenda to change the status quo over

Taiwan. This policy is driven by a key domestic imperative and long-term strategic thinking about bidding time to enable China to rise to the top. The domestic imperative is rooted in the existence of a *de facto* 'social contract' between the Communist Party leadership and the people of China after the Tiananmen crackdown of 1989. This involves the Party delivering social stability and steadily improving living standards on the basis of rapid and sustained growth in return for the general public's acquiescence to continued authoritarian Party rule. This underlines the great importance the Communist leadership puts on deepening economic reform and promoting steady growth whilst staying in control. This requires a benign international environment and continued inflow of foreign investments. Since China will need at least a couple of decades before it can reform its economy to make it genuinely competitive globally and build up sufficient capabilities to assert itself in the way it would like, China needs to behave like a status quo power. It was partly with this in mind, and partly in line with the United Front that the idea that China's rise will be peaceful was introduced. Despite toning down in propaganda over this concept after Hu Jintao took over leadership from Jiang Zemin, this idea will almost certainly be revived and promoted in a modified form.

In line with this thinking, China wants to maintain the status quo in East Asia. Hence, it will not use its leverage over North Korea to the full to resolve the current nuclear impasse between North Korea and the US unless it is forced to do so. To be sure China would have preferred North Korea not to have developed nuclear weapons or to have brought about the current tension. However, once the US-North Korea standoff started in 2002, China found itself caught in the middle. On the one hand it tries to avoid a show down and on the other hand works to pre-empt an implosion of the North Korean regime. Either will upset the stability, order and basis for rapid economic growth in Northeast Asia and, as such, harm Chinese interests. Provided it is not leading to an uncontrollable escalation a continued stand-off appears the least unappealing option to China, as long as it can resist external pressure to use all the leverages it has to rein in North Korea.

Maintaining the status quo in East Asia generally, including Taiwan in the short to medium term, is the objective of China even though its main focus on security is Taiwan itself and it wants to gain control of Taiwan. There is no question that China is ultimately prepared to use force against Taiwan if the latter should assert *de jure* independence or all other options to pre-empt such an eventuality should fail. However, this is the last resort for China. In its long-term strategic view, the best outcome is to weaken Taiwan's international standing and capacity as well as political will to resist so much that Taiwan would eventually agree to negotiate for unification under overwhelming Chinese military pressure but without requiring Chinese forces actually staging a full scale invasion of Taiwan. This will enable China to acquire Taiwan and all the capabilities and resources Taiwan has for its own benefit. A less desirable outcome would be for China to use decisive force to subdue Taiwan quickly and before the US could respond and interfere. However, given the current military balance across the Taiwan Strait and the disposition of the US to help Taiwan defend itself against an unprovoked attack, the Chinese prefer to keep the status quo, which includes pre-empting Taiwan from asserting *de jure* independence.

China's approach towards Taiwan reflects the application of the United Front principle in a spectacular way. While Taiwan is being identified as its principal contradiction, its real obstacle to secure Taiwan is the US. The rest of the international community is in general terms seen as 'the intermediate zone' though Japan is deemed sufficiently close to the US over Taiwan that it is, like the US, subjected to

creative tension and wooing. Given the effect of the Communist Party's own propaganda over Japan's imperial past, its expectation that Japan is its key rival in the region, the fact that Taiwan was a Japanese Colony between 1895 and 1945, and the long-standing US-Japan defence pact, the Chinese government believes it can at best neutralize Japan rather than win it over in a showdown over Taiwan. Thus, while the immediate cause for the recent tension between the two countries was the release of new Japanese textbooks and Prime Minister Junichiro Koizumi's insistence to visit the Yasukuni Shrine, the Chinese government took a very robust position towards Japan while it also offered to ease tension. As to the US, since it is not at this stage militarily prepared to take on the US over Taiwan China sees much value in taking advantage of their temporary coincidence of interest – to make sure the Chen Shui-bian administration in Taiwan does not probe Beijing's redline too hard. China's courting of the European Union (EU), in contrast, reveals the other side of the United Front at work. From the Chinese perspective the EU can be induced not to support the US over Taiwan. Hence, the assiduous Chinese efforts to enhance links with the EU, encourage EU leaders to think of the EU as a key player in a multi-polar world, and lobby the EU to lift its arms embargo against China. Even if the last should fail it will have the effect of creating serious tension between the US and the EU. In a similar way, the rest of East Asia has been reassured of China's good neighbourly intentions by China playing up the value of multilateralism in the region, and stressing the uniqueness of 'the Taiwan question'.

Within Taiwan itself, the Chinese United Front also requires its government to attempt divide and rule. Thus China focuses its hostility upon President Chen Shui-bian, and refrains from ruling out talking to others in Chen's party while it works untiringly to court the opposition parties in Taiwan. This is meant to complement its longer term strategy to promote economic integration between Taiwan and China, so much so that it would become economically suicidal for Taiwan to allow hostilities to erupt between it and China. The increasing number of Taiwanese working and living in China further gives China a critical instrument – hostages with over a million votes through family members back in democratic Taiwan – to undermine Taiwan's will to resist when China is finally ready to force Taiwan accept unification under overwhelming military pressure.

The real long-term test of China as a member of the international community will come only after it has resolved the Taiwan issue to its satisfaction. Unless the situation within Taiwan itself should change dramatically, to the extent that it would either present an opportunity for China to seize it at little cost or force China to use force whatever the costs, China will not seek a resolution until it has build up sufficient 'comprehensive national strength' to take on the US successfully. Such a development may take decades if indeed it can be reached at all.

If the nature and disposition of the Communist Party leadership and the political system remain essentially unchanged when China reaches a state of development that it can afford to assert its 'rightful place' in the world, such a turn of events will almost certainly not be as peaceful as Chinese propaganda today portrays. It will involve a contest of strength and diplomacy between the established superpower and the new emerging one. This point will not be reached in the coming decade as China cannot develop fast enough to turn itself into a superpower in such a timeframe.

Superpower in the making?

In making a long-term assessment of how China will approach its relations with the rest of the world it is essential to take into account two intricately linked caveats. The first is whether China's rapid growth of the past quarter of a century can be sustained on the longer term basis. The second is whether China's authoritarian system based on the monopoly of power by the systemically corrupt Communist Party can last without transforming itself.

In an important sense there is no authoritative answer to the first question. One can turn to history for guidance, particularly by looking at the experience of other East Asian 'miracle economies' post-war. On such a basis there is a serious question whether China can sustain such a high rate of growth uninterrupted for another two to three decades. Indeed, with so much of China's growth being driven by foreign investments, it faces a grave danger that its growth momentum may collapse if, for example, a critical mass of the largest foreign investors no longer accepts that it is worthwhile to take substantial losses for many years before turning a profit. Whether the Chinese economy can avert collapse should major foreign investments scramble to leave China for other more profitable destinations is a serious question that needs to be bore in mind.

Should the Chinese economy be hit by a recession or a significant and sustained downturn, the capacity of the state to deal with the many problems that were created or accentuated in the last quarter century of economic reforms will be weakened drastically. The problems include environmental degradation in the air and on land and water, widening gaps between the rich and poor as well as between the rural and urban areas, bankruptcy of the banking sector protected only by the lack of transparency, unemployment, the end of social safety net, and social problems created by a huge gender imbalance. In such an eventuality the legitimacy of the Communist Party rule will be challenged and the *de facto* 'social contract' can collapse. The capacity of the regime to reassert its authority and sustain itself will be sapped further should there be an intense struggle for power at the top causing political paralysis. In other words the Communist regime and the Chinese economic juggernaut are in reality brittle in nature. When all is well they look hard and strong but they can disintegrate quickly with little warning should their key weak points be hit hard.

If the Chinese economy should turn out to be a real miracle and continue to sustain an average growth rate of seven to eight percent per annum compound it will result in a dramatic expansion of the middle classes in the coming two to three decades. Despite tight government control over the media, communication and the Internet, the new expanding middle classes will witness and be part of the ever quickening changes worldwide. Like people of different nationalities, including the Chinese of Taiwan, once they have a taste of middle class life-style, most will find the Communist authoritarian system stifling, repressive and intolerable. Will they continue to accept the *de facto* 'social contract' with the Party? When sufficient momentum has been gathered for political reform, the Communist regime will either have to face down such a challenge by repression or reform itself drastically.

The important point to note is that steady and sustained growth of the Chinese economy, and the continuation of the existing political regime should not be taken for granted in the long term. This applies without having to underestimate the capacity and the political will of the Communist Party regime to deal with any challenge harshly. Whether repression can succeed in the long term is an open question. The implications for China's relations with the rest of the world are that China's rise and

the trajectory of its rise may turn out to be very different from what China preaches, and domestic developments in China will have a huge impact on its external relations.

While it will be ill-advised for any major power to designate China as an enemy since this may turn into a self-fulfilling prophesy, it will be equally ill-advised to take the Chinese narrative of its rise at face value. The key to making sure that China will not in the long term turn out to be a major revisionist and therefore destabilizing force in the world is to ensure China reforms itself politically. If the Communist Party regime can transform itself into something that is recognizably democratic, liberal and respectful of the rule of law, it will have greater capacity to deal with corruption and power abuses through checks and balances, and face up to its huge socio-economic problems by persuading its citizens that its government is doing what it can with their voices being heard. It should also enable the Chinese government to jettison its historic 'chip on the shoulder', gradually abandon its worldview inherited from the era of Mao Zedong, and eventually accept that its 'rightful place' in the world is that of a responsible member of the international community as it is rather than as the Communist Party would like it to be.