

Excitement & Anxieties: China's Perspectives on the Big Shifts and Discontinuities

Peking University
Jia Qingguo
October 2011

Introduction

- The world is undergoing fundamental changes. The previously dominant west is in trouble with the US and Europe in disarray and Japan on the decline. The developing countries, at least some, are on the rise. And the world expects China to surpass the US in the foreseeable future. Chinese are both excited and anxious about it. What and why they are excited and anxious about it? Will China have its peaceful rise? These are the questions this presentation will explore.

I. Excitement

- Most Chinese now see that the world is changing and China is rising and they are quite excited with it.
- They are excited with China's rise rather than with the problems of the west.
- To the Chinese, China's rise is a national dream of more than one and a half century finally coming true.

- People are excited with China's rise for different reasons. For example:
 - Some are excited because in their eyes finally China can say no to the west and regain its former glory.
 - Some are excited because finally Chinese have a real chance to get rid of poverty and backwardness and regain dignity and respect in the international community.

II. Caution

- Despite the excitement, however, Chinese in general are cautious in assessing China's power and its rise.
- 1. Not that strong
 - Its GDP may overtake that of the US, but its economy still lags far behind that of the US in many ways such as technological sophistication, technological innovation, business and financial management.
 - Its military is still very weak compared to that of the US despite the rapid modernization over the years and will not be in a position to rival that of the US in the foreseeable future
 - Its political/ideological influence is negligible compared to that of the US and it is unlikely to improve very much in the days to come

- 2. Many obstacles on the path of development. Among other things:
 - The cost of energy and raw materials has been rocketing
 - The markets of the west have dwindled significantly and are unlikely to recover in a substantial way in the near future
 - The old age problem is already there: Weifu xianlao (未富先老 aged before prosperity)
 - Developing an innovate economy proves to be extremely challenging

- 3. History also counsels caution
 - In history, it is difficult if not impossible for rising powers to overtake the hegemon
 - The Soviet Union tried it in the 1960s and Japan in the 1980s. Both failed.
 - There is no guarantee that China will not repeat their stories

IV. Anxieties

- In the mean time, Chinese also feel frustrated with various things.
 1. Domestic problems: inflation; pollution; corruption; economic polarization; food insecurity
 2. International challenges:
 - (a) bully: US selling weapons to Taiwan;
 - (b) slights: some neighbors challenge China's sovereignty claims in the East China Sea and South China Sea;
 - (c) more responsibilities but little reward: China is asked to pay more dues to the UN, to send more troops to maintain peace, to cut more emission to revert climate change, to provide more aid to developing countries, and to exercise more pressure on North Korea to give up its nuclear weapon program, and so on. However, in the mean time, China finds that the US still sells weapons to Taiwan, the west still maintains an arms embargo and a highly restrictive technology export control against China, and western media is still full of harsh comments on China.

V. Foreign policy debates

- Against this background, heated debates occur over how to deal with China's foreign relations. Very simply put, there are two sets of views: the realist nationalists and the liberal internationalists. They are different in their assessment of the international situation, the general approach China should adopt in managing foreign affairs, and the strategy China needs to follow to pursue its national interests.

1. Assessing international situation: competition vs. cooperation

- **Conflicting interests and competition:**
 - the US is trying to encircle and contain China militarily
 - the US is trying to undermine China politically
 - the US is trying to slow down China's economy: RMB exchange rate--the US used the Plaza Agreement in the 1980s to slow down Japan's economic growth
 - the US is not going to tolerate China's peaceful rise

- **Shared interests and cooperation:**
 - the interests of China and the US are not opposed to each other
 - we are living in the age of globalization, it is in interests of both China and the US to cooperate
 - if China and the US have benefited from cooperation in the past, they can also benefit from cooperation in the future

2. The general approach China should adopt in managing its foreign relations: liangjian vs. taoguang yanghui

- **Liangjian** (亮劍 show fearlessness in foreign affairs)
 - Although they acknowledge that China is not powerful enough, they believe that the best way to defend China's interests is take a tough stand in face of international challenges such as US arms sales to Taiwan; other countries' encroachment of China's claimed territories;
 - They argue that moderation in response to international challenges would only invite more abuse and slights at the expense of China's national interests
 - They do not want to have a lose-lose confrontation; however, come if it must; short-term pain is better than long-term sore

- **Taoguang yanghui** (韬光养晦 take a low profile)
 - it is in China's interests to be modest in defining its interests and attaining international objectives
 - diplomacy: dialogues and negotiation remains the best way to deal with territorial issues and international disputes no matter China is weak or strong
 - the best way for China to restore its legitimate rights and gain international respect is peaceful development

3. Strategy: strategic rivalry vs. peaceful development

- **Strategic rivalry**
 - US-China: destined for confrontation; it is the tragedy of great power politics as demonstrated by history
 - The best China can do is to increase its power to defend itself or to prevail over the other side when possible
 - Either taoguang yanghui or peaceful development is a tactic or convenient way to gain time
 - There is no better alternative

- **Peaceful development**

- China and the US: are not destined for confrontation; the tragedy of great power politics is not entirely true; even it is true, China is determined to be an exception
- Peaceful development is not a tactic for China to gain time to avenge itself; it is a long-term strategy for China to development together with the rest of the world
- peaceful development has been the case with China since China's adoption of the policy of reforms and openness more than thirty years ago; China has benefitted tremendously in this experience; there is no reason for China to abandon such a strategy (Zheng Bijian)

VI. Peaceful development: still the prevailing strategy

- The tough talk of last year
- Dai Bingguo's article in the Sunday Telegraph on September 25, 2011
- The recent publication of the white paper on peaceful development

VII. Future prospect: cautiously optimistic

1. the future lies in the interaction between China and the international community
2. on the surface, there are plenty of signs that bode ill: problems in the South China Sea; troubles in the East China Sea; conflicts between China and the US over issues ranging from climate change to currency and from human rights to arms sale to Taiwan.

3. taking a closer look, however, one finds some comfort with regard to the future:

- China: interests, institutions, and skills and experience in managing the relationship with the outside world
- international society: the way China has risen so far is acceptable: no-territorial expansion; seeking wealth and prestige through trade; acceptance and support of international order; and identifying with the mainstream values

Conclusion

- Chinese reaction to changing power balance between China and the US involves excitement, caution and anxieties. It has led to heated policy debates within China
- So far, the liberal internationalists are prevailing. However, it is not the end of the story yet.
- Out of its own interests, the international community needs to encourage and help China to pursue its strategy of peaceful development