

What next for China?

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In this era of globalisation and universal norms, it is striking that China's foreign policy is still marked by an unashamed focus on 'national' power. It is hard to imagine advisers to Napoleon, Lord Palmerston, Bismarck, or even George Bush drawing up complex charts to rank their own country's economic, political and military power against the competition. But that is precisely what Chinese thinkers are doing. Measuring 'CNP' – short for Comprehensive National Power – has become a national obsession. Each of the major foreign policy think-tanks has devised its own index to give a numerical value to every nation's power.

But although all Chinese thinkers agree that their country must do all that is possible to recover its status as a Great Power, they do not all agree on how best to achieve this goal.

Neo-comms vs. liberal internationalists

On one side of the spectrum is a growing group of 'liberal internationalists'. These thinkers – such as Zheng Bijan, Qin Yaqing and Shi Yinhong – believe that China should abandon its victim complex and play a more active role in international affairs.

Their starting point has to be an acknowledgement that China is rising (thereby abandoning Deng Xiaoping's principle that China should hide its brightness). But in parallel with this admission, Beijing must have a concerted strategy to show that China is interested in joining rather than overthrowing the existing international order. They want China to become more assertive in defending its interests, but to do it within the existing system. This idea was captured in Zheng Bijan's famous slogan of 'Peaceful Rise'.

On the other end of the spectrum are the assertive nationalists, China's answer to the neo-cons, or considering their formal affiliation, 'neo-comms'. One of the most vocal is Professor Yan Xuetong, Director of the Institute of International Studies at Tsinghua University. He is angry at the influence that liberal internationalists have had on Chinese foreign policy: 'The basic difference between us and them is that they emphasise appeasement and we want containment', he says.

This applies to the USA, Japan and Taiwan. Their basic argument is that because China is weak we should make concessions. We think that if you make concessions, they will just ask for more. The problems we are having with Japan and Taiwan are a direct result of years of appeasement.

In the middle is the largest group of thinkers – the pragmatists – who will support any idea that advances China's interests. All three camps are mixing Western theories with traditional Chinese thinking to advance their cause. They have taken three of the most striking Western

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ideas about globalisation and turned them on their head, transforming concepts used to describe the decline of the nation state into strategies for increasing China's national power.

For example, the idea of 'soft power', which is associated in the West with the attractiveness of companies such as McDonald's and Levi's, has been transformed in Chinese hands into a quest by the Chinese state to recapture the 'moral high-ground' of international relations.

The idea of 'multilateralism' is associated in the West with the dilution of national sovereignty as member states agree to be bound by the rules of supranational institutions like the European Union or World Trade Organisation. It has been recast as a tool of national power projection that allows China to develop links with other Asian countries that exclude the USA.

Finally the idea of 'asymmetric war' – coined to describe the tactics of guerrilla groups such as the Viet Cong or Al-Qaeda – has been rethought by China on an industrial scale. Chinese strategists have explored ways of using military weapons, financial assets and international law to challenge US power rather than seeking to match its might in conventional terms. As the discussion below shows, Chinese liberal internationalists and neo-comms alike are pushing against the barriers of Deng Xiaoping's foreign policy orthodoxy to promote the idea of a 'Walled World'.

Soft power

The military scholar Yang Yi argues that the US has created a 'strategic siege' around China by assuming the 'moral height' in international relations. Every time the People's Republic tries to assert itself in diplomatic terms, to modernise its military or to open relationships with other countries, the USA presents it as a threat (Yang, 2006). And the rest of the world, Yang Yi complains, all too often takes its lead from the hyper-power. According to him

the United States has the final say on the making and revising of the international rules of the game. They have dominated international discourse, occupying the 'moral high ground' of the majority of international public opinions and rules of conduct. Therefore, what often occurs in international affairs is that the United States argues 'only we can do this, and you can't do this.

Chinese thinkers are desperately trying to free themselves from this trap. One of the hottest buzz-words in Chinese foreign policy circles is '*ruan quanli*' – the Chinese term for 'soft power'. This modish concept was invented by the American political scientist Joseph Nye in 1990 (Nye, 1990), but it is being promoted with far more zeal in Beijing than in Washington DC. Unlike its more aggressive antithesis 'hard power', which is about bribing or forcing other countries to do what you want, 'soft power' is defined as the ability to get others to want what you want. It depends neither on economic carrots nor political sticks, but rather on the attractiveness of your culture and ideas, your legitimacy in the eyes of others, and your ability to set the rules in international organisations.

Chinese scholars, such as Yang Yi and Yan Xuetong, complain that for most of the last twenty years 'soft power' has been the preserve of the West: Western countries had the biggest markets; Western culture and morality were the most aspirational; and the interna-

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tional institutions created after the Second World War were also Western constructs, with membership open to the rest of the world only if they met certain standards of behaviour. But now they are planning to change all that. As Yan Xuetong explains,

during a period of globalisation the sphere of competition is no longer about land, resources or markets but rule-making, setting regulations, norms or customs. After the cold war these rules are changing. Rather than being passive recipients of these changes, we should join the competition to set the global rules.

The starting point has been to study the USA and devise a strategy for China based on lessons from there. Chinese thinkers have studied the way that Uncle Sam came to symbolise freedom and affluence, how the Statue of Liberty, the Bill of Rights, Coca-Cola, McDonalds, CNN and Hollywood became far more effective ambassadors for the American world-view than anyone in the State Department. They looked at how American values were enshrined in a series of global institutions, such as NATO, the World Bank and the IMF, which embodied and reinforced the American way of doing things. And they noted how the large number of foreign students at American universities, the ubiquity of American companies and the power of American news services has amplified the transmission of American perspectives on global issues.

China has begun to emulate these techniques. Its Education Ministry will set up one hundred 'Confucius Institutes' to teach Chinese and promote Chinese culture, in the same way that the British Council and *Goethe-Institut* do for European culture. The Confucius Institute has already set up thirty-two centres in twenty-three countries (Johnson, 2005). China's international TV station – the sinister-sounding CCTV 9 – is designed to grow into a global news station to rival CNN. Beijing has expanded and professionalised the party-controlled newswire Xinhua in the hope that it will be taken as seriously as Reuters or AP. Beijing plans to quadruple the number of foreigners learning Chinese – to 100 million – by 2010. It has opened its universities to foreign students, attracting twice as many students from Indonesia as the USA every year and 13,000 from South Korea (Kurlantzick, 2007).

The most interesting aspect of China's 'soft power' agenda is the message they are promoting to the world. In April 2006, a conference was organised in Beijing to launch the 'China Dream'. Zheng Bijian was back with a new idea, heading a high-powered cast of speakers – including government ministers, academics and diplomats – that saw 'cultural rejuvenation' as a way of getting greater legitimacy on the world stage. The 'China Dream' they offered to the world was an attempt to associate the People's Republic with three powerful ideas: economic development, political sovereignty and international law.

Western observers are sceptical about the extent to which China has acquired soft power, pointing out that few liberal democracies would trade their freedom for China's Communist market economy. Green tea, Jackie Chan and Confucius, they argue, are no match for McDonald's, Hollywood and the Gettysburg Address. However, China has managed to associate itself with a number of big ideas that are potentially very attractive to middle-income and developing countries, particularly those which have been subject to Western colonialism (in other words, 90 per cent of the world's countries). And because China is the largest country to champion these ideas, it can draw a lot of legitimacy from them.

In the long term, as some Chinese scholars recognise, Beijing will struggle to achieve

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global legitimacy without substantial changes at home. But in the medium term, China is likely to be the primary beneficiary of the fall in American soft power after the Iraq War, basing its popularity on an attempt to be seen as America's mirror image. Where American policy-makers champion the Washington Consensus, the Chinese talk about the success of gradualism and the 'Harmonious Society'. Where the USA is bellicose, Chinese policy-makers talk about peace. Whereas American diplomats talk about regime change, their Chinese counterparts talk about respect for sovereignty and the diversity of civilisations. Whereas American foreign policy uses sanctions and isolation to back up its political objectives, the Chinese offer aid and trade with no strings attached. Whereas America imposes its preferences on reluctant allies, China makes a virtue of listening to countries from around the world. Against this backdrop, Chinese diplomats and statesmen have discovered that 'eighty per cent of success', as Woody Allen said, 'is just showing up'.

Multilateral power projection

Six months after the collapse of the Soviet Union, thirty-four of America's brightest foreign policy strategists gathered at Stanford University to develop 'a new organising principle for thinking about the world and how to act in it' (Stanford University News Service, 1992). Their hope was to replace George Kennan's Cold War doctrine of containment and deterrence with a new philosophy for a post-Cold War world. Out went old concepts like the imperative of military build-up, the balance of power, the spying and secrecy of the Cold War. In their place, a new big idea: building a regime of 'co-operative security' that would allow all countries to benefit from a peace dividend. Unlike alliances such as NATO, which were aimed at a single opponent, 'co-operative security' would be about building trust through transparency and mutual surveillance.

As the idea gained greater currency, it caught the eye of Yan Xuetong. He told me that he was excited by 'the novelty of the idea that military co-operation does not need to be aimed against another power (unlike NATO which was set up against Russia). That makes it less threatening'. He began to wonder if co-operative security could provide a mechanism for China to modernise and build up its military without attracting the suspicion of its neighbours – precisely the opposite of what the concept's original authors had in mind. At this stage he was working as a researcher at the Chinese Institute of Contemporary International Relations – the think-tank affiliated to the State Security Ministry – and he assembled a group to refine the concept. Their work led to a body of ideas that would eventually come to be known as the 'New Security Concept'.

The 'New Security Concept' makes a distinction between 'traditional' security threats (the danger of invasion by other countries) and 'non-traditional' ones (terrorism, secessionism, environmental destruction, pandemics). Yan Xuetong correctly believed that the military alliances of the future could be arranged around these inchoate 'non-traditional threats' – bringing states together against abstract nouns such as 'terrorism' rather than hostile nations. Behind Yan Xuetong's 'New Security Concept' was a strong impulse that China should abandon its hostility to multilateral institutions. China was starting to benefit from globalisation and preparing to join the World Trade Organisation. And Yan Xuetong argued that it should be possible to recast the relationship with China's neighbours around similar institutions. It was not long before Yan Xuetong's theory became a reality.

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The first move was towards China's eastern neighbours. Four years after the end of the Soviet Union, China came together with Russia, Kazakhstan, Kyrgyzstan and Tajikistan to develop a 'co-operative security arrangement' called the 'Shanghai Five'. They started by negotiating treaties demilitarising the 4,300 mile border that they share and gradually expanded their co-operation to include security and trade. In 2001 Uzbekistan joined, and they turned this nascent grouping into the 'Shanghai Co-operation Organisation' (SCO).

The new organisation has already established a 'regional anti-terrorism structure' in Uzbekistan, a 'business council' in Moscow and a permanent secretariat in Beijing. It has organised co-operation on economic, border and law enforcement matters, as well as two combined military exercises. India, Pakistan, Mongolia and Iran have all joined the SCO as observers. The USA is rightly concerned about this development: if at some point the observers joined as full members, the SCO would boast four nuclear states, three major economies and vast energy resources.

The Shanghai Co-operation Organisation challenges the idea that only Western countries can establish successful multilateral organisations. It bears the name of a Chinese city and its charter enshrines the Chinese government's commitment to traditional notions of sovereignty. One of the attractions of the SCO for Russia, China and the Central Asian republics is the prospect of halting any new democratising 'colour revolutions', such as the Rose revolution in Georgia, the Orange revolution in Ukraine, and the so-called 'tulip' revolution in Kyrgyzstan. Moscow and Beijing both gave strong political support to the Uzbek president Islam Karimov when he suppressed pro-democracy demonstrations in Andijan in May 2005, while China has organised counter-insurgency training for several Central Asian police forces.

And, in political and military terms, the SCO is already showing the potential to turn into a potential rival to NATO in Central Asia: at the 2005 summit in the Kazakh capital of Astana, the SCO members signed a declaration which asked the USA to set a deadline for the withdrawal of its forces from Central Asia. In the long term the SCO could become the kernel of an 'alliance of sovereignty' designed to frustrate Western attempts to interfere in the affairs of other countries to protect human rights or spread democracy. The attractions of its philosophy of 'non-interference' to regimes in the Third World are clear.

Beijing was initially suspicious of regional integration in East Asia, because it feared that the USA would use these groupings to encircle China. But once the Chinese realised that the USA prefers to deal with each of its allies in East Asia – Japan, Australia, the Philippines, Korea and Thailand – individually rather than collectively, it spotted an opportunity for China to emerge as a champion for Asian unity.

In 1996, Yan Xuetong persuaded the Foreign Ministry to suggest that the 'New Security Concept' be adopted for the Asian Pacific Region. Qian Qichen, who was foreign minister at the time, made a formal approach to the Association of South East Asian Nations (ASEAN) Regional Forum, a grouping led by the ten countries of South-East Asia. Since then China has become increasingly keen on deepening its relationships with its neighbours; its leaders even talk about creating an Asian equivalent of the European Union. In 2004 China called for an ASEAN-China Free Trade Area and to help build an East Asian Community complete with a single currency by 2020.

Yan Xuetong thinks that regional integration will put China's rivals in Asia – the USA and Japan – on the back foot. The USA has become increasingly hostile to regional inte-

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gration, which it correctly views as a mechanism for China to develop bodies which exclude the USA. American hostility also creates a conundrum for Japan as America's closest ally in the region. Yan Xuetong argues:

To sustain its special relationship with the United States, Japan has adopted a policy undermining the establishment of the East Asian Community. This policy is similar to that adopted by Great Britain with regard to the European Union. Japan's policy against East Asian regionalisation may ultimately weaken its political influence in East Asia. (Yan, 2006)

Yan Xuetong argues that Japan, like Britain in the European context, will always be a reluctant partner wasting valuable political capital on trying to slow the process down, rather than leading from the front in a direction from which it would benefit.

The asymmetric superpower

It has become a truism in Chinese circles that the former Soviet Union spent itself into oblivion by being lured into a competition for military primacy. So rather than trying to match the USA's military machine, plane for plane and bomb for bomb, the Chinese approach is to go for an 'asymmetrical' strategy of finding and exploiting the enemy's soft spots.

'Asymmetric warfare' has been vogueish in Western military circles for a long time. It has traditionally been used to describe how terrorists can take on and defeat standing armies, in the same way that David took on Goliath. However, the Chinese have taken this debate far beyond the techniques of terrorism. Chinese intellectuals and military planners have created a cottage industry of devising strategies for defeating a 'technologically superior opponent' (their preferred euphemism for the USA).

Every year, Chinese military spending goes up by over 10 per cent (American intelligence estimates that the real figure is two-to-three times higher) to fulfil the country's great power aspirations. However, its military modernisation – which has seen it building ships and submarines, buying fourth-generation combat aircraft and aiming 900 ballistic missiles at Taiwan – has not been about trying to copy or match the US military. The goal is, instead, to find cheaper ways of neutralising the USA's military advantage. Instead of rivalling the USA on its own ground, Beijing wants to play the Americans at a different game that Beijing can win.

For example, on Taiwan, rather than vainly seeking military supremacy of the Taiwan Strait, Beijing has sought to increase the price the USA would have to pay to defend the island in a war. Twenty years ago the USA could have adopted a purely defensive strategy by creating a shield around the island. As a result of China's military modernisation, this defensive strategy is now unsustainable. Now the USA would be put in the unenviable position of needing to attack mainland China to defend Taiwan.

The most interesting aspects of China's attempt to become an 'asymmetric superpower' are outside the realm of conventional military power. The most detailed explanation of this approach came in a book called *Unrestricted Warfare* which shot into the Chinese best-sellers' lists in 2001 (Quiao Ling and Wang Xiangsui, 1999). It sets out a series of strategies for 'non-military warfare' arguing that 'soldiers do not have the monopoly of war'.

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Top of their list is 'economic warfare'. Referring to the Asian financial crisis of 1997, the authors speak with awe about the power of international financiers like George Soros to undermine the economies of the so-called 'Asian Tigers': 'Economic prosperity that once excited the constant admiration of the Western world changed to a depression, like the leaves of a tree that are blown away in a single night by the autumn wind'. If a lone individual like Soros could unleash so much destruction simply for profit, how much damage could a proud nation like China inflict on the USA with its trillion dollars of foreign reserves?

Even more radical is the idea that China could use international law as a weapon, or 'Lawfare' for short. The authors argue that citizens of democracies increasingly demand that their countries uphold international rules, particularly ones that govern human rights and the conduct of war. Governments are, therefore, constrained by regional or worldwide organisations, such as the European Union, ASEAN, the International Monetary Fund, the World Bank, the WTO and the United Nations. The authors argue that China should copy the European model of using international law to pin down the USA: 'there are far-sighted big powers which have clearly already begun to borrow the power of supra-national, multinational, and non-state players to redouble and expand their own influence'. They think that China could turn the United Nations and regional organisations into an amplifier of the Chinese world-view – discouraging the USA from using its might in campaigns like the Iraq War.

Many of these asymmetric strategies are already taking shape. As the liberal internationalist Shi Yinhong argues,

the US is winning the military game in the Pacific by strengthening their bases in Guam, Okinawa, Hawaii. China doesn't like it, but it isn't playing that game. China is playing a different game based on economic investment, trade, immigration and smile diplomacy. The USA can't stop this. And it is losing China's game. It can't stop China's rise.

What Shi Yinhong means is that China is trying to change the rules of the competition for primacy in East Asia, and working around the USA rather than confronting it head-on. It is as if the USA had an unbeatable team at tennis, so rather than trying to take the Americans on at their game, Beijing is trying to persuade East Asia that table tennis – which China can hope to win at – is the most important game. China's charm offensive is pushing back American influence in countries such as South Korea, but because it is couched in the language of multilateralism and peace it has not alarmed China's neighbours.

Where is China heading?

For a nation that has virtually trademarked a concern for the *longue-durée*, Chinese intellectuals are surprisingly coy about their future. When you ask them what a Chinese hyper-power will be like, they tend to duck the question, trotting out a list of pressing domestic problems which they claim will be all-consuming. However, in their more candid moments, China's foreign policy thinkers map out two possible paths.

Liberal internationalists like Zheng Bijian or Qin Yaqing like to talk about how China has rejoined the world; how it is gradually adapting to global norms and learning to make a

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positive contribution to global order. As China becomes more exposed to the world, they argue, so too it is becoming more engaged in solving global problems. In recent years, Beijing has been working through the six party talks to solve the North Korean nuclear problem; working with the European Union, Russia and the USA on Iran; adopting a conciliatory position on climate change at the Vancouver conference; and sending 4,000 peacekeepers to take part in UN missions. Even on issues where China is at odds with the West – such as on humanitarian intervention – the Chinese position is becoming more nuanced.

On the other hand, neo-comms like Yan Xuetong openly admit that they are using modern thinking to help China realise ancient dreams. His long-term goal is to see China return to great power status, building an order in its own image. Like many Chinese scholars he has been compulsively studying ancient thought: 'Recently I read all these books by ancient Chinese scholars and discovered that these guys are really smart – their ideas are much more relevant than modern International Relations theory'.

The thing that interested him the most was the distinction that ancient Chinese scholars made between two kinds of order: the *Wang* and the *Ba*. The *Wang* system was centred around a dominant superpower, but its primacy was based on benign government rather than coercion or territorial expansion. The *Ba* system, on the other hand, was a classic 'hegemonic' system, where the most powerful nation imposed order on its periphery through force. Yan explains how in ancient times the Chinese operated both systems:

Within Chinese Asia we had a *Wang* system. Outside, when dealing with 'barbarians', we had a hegemonic system. That is just like the USA today, which adopts a *Wang* system in its relationship with the Western club where it doesn't use military force or employ double standards. On a global scale, however, the USA is hegemonic using military power and employing double standards.

Yan Xuetong's goal is to recreate an Asian *Wang* system based on fairness and the rule of law in Asia. The problem for China is getting from here to there without provoking a war with Japan or India. Yan Xuetong's answer goes to the heart of the problem.

The reason that other countries will accept it is that we would build it through domestic policy by becoming a model society that people would want to be part of. We don't have that yet. At the moment all of China's attractiveness comes from its economic power, but that cannot last. Money worship is not attractive enough. You need moral power.

The unspoken assumption is that China will need to change its political system to be able to become a hyper-power. Yan Xuetong seems to accept that it will be hard for China to have global legitimacy without liberalising its political system. But surely, even then, Japan would not accept a Chinese-led *Wang* system? Yan Xuetong's belief in the mechanics of power is absolute: 'Japan will not invite this relationship but over time the Chinese club will be so powerful that Japan will want to join it. It will be like the UK and the EU: a reluctant partner.' According to Yan Xuetong, China will have two options as it becomes more powerful.

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It could become part of the Western *Wang* system. But this will mean changing its political system. The West is talking about this but I do not think they really believe it is possible. The other option is for China to build its own system.

The tension between the liberal internationalists and the neo-comms is a modern variant of the Mao-era split between bourgeois and revolutionary foreign policy. For the next few years, China will be decidedly bourgeois. It has decided – with some ambivalence – to join the global economy and its institutions. Its goal is to strengthen them in order to pin down the USA and secure a peaceful environment for China's development.

But in the long term some Chinese hope to build a global order in China's image. Their approach is to avoid confrontation, while changing the facts on the ground. Just as they are doing in domestic policy, they hope to build pockets of an alternative reality where it is Chinese values and norms that determine the course of events rather than Western ones. Seen from this perspective, the Shanghai Co-operation Organisation and East Asia Community perhaps offer an insight into China's intentions. Superficially they look like Western models of multilateral integration – like the European Union. But, in reality, they could be seen as the kernels of a Chinese world order where state sovereignty is meaningful and the rights of states to operate without external intervention trump the rights of the citizens that inhabit them.

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