

China: The 21st Century Superpower?

Lecture, Casa Asia, Barcelona, 13 September 2005

by Rosita Dellios

It is a great pleasure to receive an invitation to come here to this magnificent city of Barcelona and present a lecture on faraway China. Yet the consideration of my lecture tonight, about the prospect of China becoming a 21st Century superpower, brings China and things Chinese much closer to us all. China will, in all likelihood, be the first superpower to come of age in the 21st century. Others may follow. India comes to mind in this regard. But it is China which is showing signs of maturing into this role first. The discernible conditions of the globalizing world and China's characteristics will shape the meaning of superpower as experienced in the present century. But first let us turn our attention to the huge dimensions of things Chinese.

Taking the Measure of China

In taking the measure of China, the first observation is its sheer scale. Quantitatively, China has the raw capacity for becoming a superpower. Its population of 1.3 billion renders it the most populous nation on earth, accounting for a fifth of the world's population; while at almost 10 million square kilometers it is the third largest country after Russia and Canada. Its 2.25 million troops form the world's largest armed force – though not the most advanced. China's reputation as a major military power is crowned by the possession of nuclear weapons that are capable of all ranges and delivery modes. Economically, it is the world's fourth largest trading nation, having risen from 32nd in 1978 and 10th in 1997.¹ Its GDP at 13% of world output (at purchasing power parity) is second to the US.² China, inheritor of 5,000 years of civilisation, is also the world's fastest developing economy in the present age, having grown an average of 9.5% annually for the past 20 years. Such high growth rates, low labour costs and a huge

¹ Historic figures from WTO, cited in Birgit Zinzius, *Doing Business in the New China: A Handbook and Guide*, Praeger, Westport, 2004, p. 5.

² 'A Survey of the World Economy – The Dragon and the Eagle', *The Economist*, 2 October 2004, p. 4.

emerging market, have attracted the world's highest levels of foreign direct investment (FDI). Since China joined the World Trade Organisation (WTO) in December 2001, it has also become one of the most open economies in the developing world, with average tariffs dropping from 41% in 1992 to 6% after accession to WTO.³

Qualitatively, however, there is much to be done. The most important task concerns population. There needs to be continued control of the growth rate so that population increases do not outstrip the capacity to support it – including the environment. The one-child policy which was implemented in the late 1970s has helped in managing China's population growth. Increased employment opportunities and more productive use of the labour force are also needed. This relates not only to enhancing China's vast human capacity. It also removes a social source of insecurity. It is now widely acknowledged that China's emphasis on developing the Eastern coast first has resulted in a huge wealth gap between the booming East and the much poorer Western interior of the country.

The Chinese themselves have calculated that a stable society may be said to exist if per capita incomes are under \$1000 or over \$3000. But the \$1000-\$3000 bracket – China's current situation - is seen as most unstable. This view was discussed by Li Genxin, General Secretary, China Association of Arms Control and Disarmament, during a short course on 'China Confronts New Security Issues', which I attended at China Foreign Affairs University, 6-10 June 2005. He said the present situation of an income range between \$1000 and \$3000 results in a small group of very rich and a large group of very poor. This has a huge psychological impact, he said. "They can see the difference. People blame the government. They expect it to make the poor rich; otherwise they say 'you are not qualified to rule us'. Thus we study this as a security issue. After \$3000 then we will have a big middle class society. It will be more stable."

³ Ibid.

China's Strong Sense of Direction

In this desire to develop its society and economy, there is a strong sense of direction coming from the Chinese leadership. This is an asset for a growing superpower. All of this impressive economic activity is occurring under a communist party government which, since the introduction of market reforms in 1978, operates a system it describes as 'socialism with Chinese characteristics'. After Chairman Mao's death in 1976 it became apparent that China needed not only an able new leader but a new formula for strengthening itself for the modern world. The command economy was not releasing China's huge potential for growth and power but had kept it backward in comparison to Japan and other developed economies. The stage was set for veteran politician Deng Xiaoping to rise to the top and implement his ideas of reform. It was under Deng's leadership that China decoupled the economy from politics, allowing a command economy to transform into a market-based one.

Politics, however, remained under the tight control of the Chinese Communist Party, as the crushing of the 1989 Tiananmen Square student uprising demonstrated. The failure of democracy to take root in China did not adversely affect China's economic growth. Thus, just as Chairman Mao could proclaim in 1949 that China had stood up, so too market forces – or capitalism – allowed communist China to rehabilitate itself to the point where the rise of China is becoming a serious issue of consideration for 21st century international relations.

If it does rise successfully, it will not be the first time China occupied a central position in the affairs of 'all under Heaven' (*Tianxia*), as the world was known in traditional China. It was a world which came to an end after two millennia as a result of dynastic China's gradual weakening, lack of technological innovation and, finally, defeat in the Anglo-Chinese (or 'Opium') wars of the 19th century. Historically, China was an economic superpower, and as late as 1820 it still represented 30% of world GDP.⁴ Diplomatically, it was a stabilizing force in the traditional East Asian world order. While seeking

⁴ 'A Survey of the World Economy – The Real Great Leap Forward', *The Economist*, 2 October 2004, p. 5.

recognition through its tribute system, China did not interfere in the domestic affairs of tributary states. It was not a colonizer in the European mode. This historical experience also qualifies China for superpower status in the 21st Century.

To return to Li Genxin, he commented that: “Confucian and Buddhist China is not an aggressive country. We have always believed we are the best country; no need to go out. But as friends we ask you to come. If China really develops in the future, the US can visit China and get big contracts; pay mutual respect. We can give up traditional use of force.”

Further evidence of the power of the past to mould contemporary discourse – and, in doing so, perform a communicative function for the strengthening Chinese state - is to be found in the words of Major General Zhu Chenghu. He is Commandant and Professor, College of Defence Studies in the National Defence University of the People’s Liberation Army. It was he who was given international headline treatment recently for his statement to visiting journalists that China would use nuclear weapons against the US if it engaged China militarily over Taiwan. This was clearly designed to deter American interference in what China deems to be its internal affair. This was his hard power statement. But with regard to China’s past diplomatic profile, a ‘soft power’ message emerges. He said:

“We have formulated our policies on [the basis of] military tradition and military culture. Whenever China was strong it was inward looking. China was a superpower and built the Great Wall to resist aggression. Zheng He of the Ming Dynasty sailed on seven voyages, commanded 250 warships that displaced 2000 tons. Instead of establishing colonies, he brought advanced farming technology to those he visited. If we Chinese did what the Anglo-Saxons did, the whole world would have become Chinese. Of course there was some expansion and invasion, but only when under rule of the minority peoples. Han people’s military culture is more defensive. Thus our defence policy is guided by tradition.”

Today, however, China’s soft power is in flux. How attractive is a China that lost Confucianism to Communism, and is still trying to find its way back again to Confucian humanism without sacrificing the politics of control? To be a superpower requires not only capacity and willpower, but also legitimacy in the eyes of the world. Legitimacy, in

turn, affects the reach of a superpower. Thus China may find legitimacy in Asia but not in the West, with its fears of China as a looming economic and military threat, as well as country that does not respect human rights in its domestic affairs. So long as China does not gain the respect of the West, it will remain only an East Asian regional power. It needs legitimacy to develop itself globally.

What does ‘Superpower’ Mean?

The very term ‘superpower’ is about global reach. The coining of the term in 1944 by William Fox in his book, *The Superpowers: The United States, Britain and the Soviet Union – Their Responsibility for Peace*, spoke of the global reach of a super-empowered nation.⁵ As the Cold War became more entrenched, that which distinguished a nuclear ‘superpower’ from a 19th century ‘great power’ was possession of the power of ultimate destruction and the strategic doctrine of nuclear deterrence that emerged from it. The processes of globalization that characterize the present century mean that a great power needs more than nuclear capability. It needs to broaden out to the more traditional ‘great power’ attributes of maintaining sufficient diplomatic, economic, and military resources for preserving the international order in which great powers presume themselves to be the main actors.⁶ Beyond being merely ‘great’, or only ‘super’, they must now be ‘global’ and attain transnational competencies that permit interaction with non-state actors, regional forums and the instruments and institutions of global governance. In short, a 21st century superpower needs to be (a) a great power in the traditional sense and (b) a militarily outstanding one, but also (c) a transnational performer.

Does China Fulfill the Meaning of Superpower?

⁵ William T. R. Fox, *The Superpowers: The United States, Britain and the Soviet Union – Their Responsibility for Peace*, Harcourt Brace, New York, 1944, cited in Lawrence Freedman, ‘China as a Global Strategic Actor’, in Bary Buzan and Rosemary Foot (eds), *Does China Matter? A Reassessment: Essays in Memory of Gerald Segal*, Routledge, London, 2004, p. 24.

⁶ See the classic work on international order maintained by a ‘society of states’: Hedley Bull, *The Anarchical Society: A Study of Order in World Politics*, Columbia University Press, New York, 1977.

As a member of the United Nations Security Council, the People's Republic of China belongs to the elite club of recognized great powers. It is involved in more than 1000 international governmental organizations that deal with issues ranging from drug trafficking to the environment;⁷ and it is an ardent supporter of the United Nations and international law, warning against the exercise of military power when peaceful methods of diplomacy ought to be given greater scope for realization. This was especially notable with regard to China's reaction to American military interventions in the post-Cold War era, indicating China's understanding of the need for great powers to critique one another in the interests of a balanced state system.

China has been active in the advancement of a world that can become more multipolar and multilateral in its international expression. Multipolarity has been advanced in China's official documents and diplomacy, for example, in the 1997 Sino-Russian declaration endorsing 'a new multipolar world' that was seen as heralding a counterbalance to the US as the remaining global superpower. Multilateralism is evident in China's willingness since 1995 to discuss the contested Spratly territorial issue with the Association of Southeast Asian Nations (ASEAN) as a grouping rather than its previous insistence on bilateral discussions. This has evolved to China signing a code of conduct (the Declaration of the Conduct of Parties in the South China Sea) in November 2002 whereby the signatory parties pledge not to use force to resolve the Spratly issue. Besides belonging to the ASEAN+3 grouping (the 'plus 3' being China, Japan and South Korea), and now the East Asian Summit which will hold its inaugural meeting in Kuala Lumpur in December this year, it is a member of the Central Asian security grouping known as the Shanghai Cooperation Organisation, which was formalised in 2001. It began on China's instigation in 1996 as the 'Shanghai Five', when China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan became parties to a treaty signed in Shanghai to demilitarise their common border, and expanded to include Uzbekistan in 2001. China's hosting of the six-party talks (North Korea, South Korea, USA, PRC, Japan, and Russia)

⁷ 'China's Grand Strategy', *Strategic Comments*, International Institute for Strategic Studies, Vol. 10, No. 9, November 2004.

in 2003-2005 on the North Korean nuclear issue represents another sign of China's multilateralist direction.

It is notable that the United States is not a member of either the East Asia Summit across China's maritime south-eastern sector, or the Shanghai Cooperation Organisation spanning China's north-western land frontier. China has a buffer system in place through regional diplomacy. It might even be regarded as a regional exclusionary zone against the US, though US bilateral arrangements are still in place with key allies Japan, Australia, and other East Asian countries. This is not necessarily aimed at alienating the US but rather diminishing its influence in vital areas such Central Asia and in policy options such as protecting Taiwan or punishing North Korea. Already the Shanghai Cooperation Organisation, in its July 2005 meeting, has demanded a date for US forces to be withdrawn from Central Asia. In August 2005, China engaged in a military exercise with Russia called 'Peace Mission 2005', designed – among other things – to strengthen the military capability of countering 'separatism'.⁸ This would indicate that China is gaining confidence in its own strategic domain of Asia vis-à-vis the US.

This multipolarity within a multilateralist diplomacy suits China in view of its subordinate power status in comparison to the US; a view which would suggest to some observers that if China surpasses the US and becomes the dominant state, it would behave in a similar fashion to the US. This is the 'strong states cast long shadows' proposition. Such a proposition supports the China threat thesis if (a) one is opposed to the emergence of an Oriental hegemonic power in the state system preferring an Occidental one, or (b) if one is opposed to unipolarity, preferring a closer semblance of balance-of-power in bipolarity or multipolarity. In light of discernible opposition to US hegemonic leadership in the aftermath of the Iraq war, China may garner some support for its rise as a serious balancer to the US. However, the US would need to entrench itself in world-defying, self-aggrandising behaviour to warrant such an adversarial image. Indeed, the US would need to lose its hegemonic legitimacy and China to gain it.

⁸ See 'Exercise of Power', *Financial Times*, 19 August 2005, p. 10.

The Pursuit of Legitimacy

It is unlikely the US will persist in such a self-destructive path of loss of legitimacy, and in many ways it is already seeking ‘legitimate authority rather than mere material dominance’, as the managing editor of *Foreign Affairs* journal, Gideon Rose put it.⁹ But it is possible that China will capitalize tactically on the slippage in US legitimacy in order to make strategic gains in its own legitimacy enhancement. Critics of China have argued that such ‘calculated kindness’ is part of China’s grand strategy, making opportunistic use of Washington’s unpopular unilateralism.¹⁰ This casts China in an unwarranted threatening light. On the contrary, China’s tactical employment of the prevailing superpower’s foreign policy weakness may be seen more positively as a productive (but only tactical) move in a strategy that seeks to bring balance back into the state system in which China must survive, develop and exercise its great power functions.

To gain legitimacy of the order exercised by the US, there would need to be:

1. an acceptance of an Oriental superpower,
2. the issue of dissent in its various forms (Tibet, Xinjiang, Taiwan, democracy, human rights) would need to be addressed,
3. China’s championing of international law and diplomacy would need to be maintained and visibly supported,
4. as would a consultative management style in global affairs and the overcoming of threat perceptions in economic and military affairs.

Economic and Military Dimensions on the Power Scale

While China’s ‘charm offensive’ may be yielding results in its quest for legitimacy, what of its resource appetite? The attraction of energy resources in the South China Sea, while seemingly contained within a code of conduct that is not legally binding, does not remove doubt in the minds of political realists who see China’s need for energy as an overriding

⁹ Gideon Rose, ‘Bush Idealism Gives Way to Realism’, *The Straits Times*, 19 August 2005, p. 28.

¹⁰ The IISS *Strategic Comments*, Vol. 10, No. 9, November 2004.

concern, driving diplomacy as well as military expansion.¹¹ How strong are China's appetites?

China is already the world's largest consumer of steel, copper, coal and cement, and the world's second largest consumer of oil (after USA).¹² China has been importing oil since 1993. It is estimated that its proven oil reserves will be depleted by 2018,¹³ and by the first quarter of the century – that is, 2025 - China's energy requirements would quadruple.¹⁴ Moreover, China is overly dependent on Middle East oil: 80% of China's imported crude oil comes from 10 countries and 60% from five countries in the Middle East and Africa.¹⁵ It is also overly reliant on sea transportation through the Malacca Strait connecting the Indian Ocean with the South China Sea. The contested Spratly Islands in the South China Sea are considered to be oil rich, strategically located for guarding the Malacca Strait, and traditionally part of Chinese maritime territory. Here the implications of China's energy security are considerable. What is China's strategy for overcoming these vulnerabilities? Besides engaging in East Asian regional diplomacy to ensure a politically favourable environment in a strategically vital area, China has been in the process of buying up energy and other strategic materials.

It even tried buying a major US oil company in 2005. An offer by the Chinese state energy company, China National Offshore Oil Corporation, to purchase Unocal, one of the largest oil companies in the United States, was blocked in view of the potential for the company's oil and gas resources going to China instead of the US at a time of emergency. Oil is a strategic resource and control of it and other strategic resources will ensure survival of states and economic growth.

¹¹ For example, Jeffrey Robertson, 'China's Power Hunger Trumps Japan Diplomacy', *Asia Times Online*, 2 November 2004, www.atimes.com/atimes/China/FK02Ad01.html

¹² 'A Survey of the World Economy - A Hungry Dragon', *The Economist*, 2 October 2004, p. 12.

¹³ Robin Wright, 'Iran's New Alliance with China could Undermine U.S. Leverage', *The Wall Street Journal Europe*, 18 November 2004, p. A3.

¹⁴ 'A Survey of the World Economy - A Hungry Dragon', *The Economist*, 2 October 2004, p. 12.

¹⁵ Z. Huang and F. Ke, 'Oil Supply of China and Energy Security', in Z. Ba (ed.), *Security and Development of Chinese Economy*, Shishi Publications, Beijing, 2004, p. 253.

The China National Offshore Oil Corporation has actively been seeking acquisition of oil and gas companies around the world. Already it has signed more than 160 contracts with 71 companies internationally, and its foreign production accounts for more than a fifth of its total production.¹⁶ This is China's 'Going Out' policy of searching for energy supplies overseas. It means China now has a presence in regions such as Central Asia, South America, the Middle East and the South Pacific. Sometimes this can have diplomatic advantages too. Australia - a firm US ally - won a A\$25 billion contract in 2002 to supply liquid natural gas (LNG) to China. Moreover, Australia is accepted as a member of the East Asian Summit, while the US is not. Here is a case of economic interests and regional politics favouring China.

The 'Going Out' policy is matched by the Western Development policy for internal oil and gas exploration. Northwest China is the key area for this development. However, it is far removed from the main users of energy in the southeast, requiring improved transport infrastructure. It is also an ethnic minority region where, in the case of Xinjiang province, there has been agitation for an independent East Turkistan. By developing the West of China, it is hoped that improved living conditions will stabilize the political scene too.

Nuclear Superpower Status

With regard to the China threat theory - the fear that China will grow into a military superpower, China's leadership deliberately adopted a policy of good-neighborliness under the concept of *heping jueqi*, meaning 'the peaceful emergence of China', also known as its 'peaceful rise'. This entails the non-hegemonic stance of China, the emphasis on development and the view that China's economic growth will benefit other nations, not hurt them.¹⁷ Indeed, 'peaceful rise' was replaced with 'peaceful

¹⁶ 'Radio Broadcast Summary of China', 2003, *Chengchi University*,
<http://iir.nccu.edu.tw/lib/backup/92/920209/BG1.HTM>

¹⁷ See Willy Wo-lap Lam, 'Beijing's New "Balanced" Foreign Policy: An Assessment', *China Brief*, Vol. 4, No. 4, 20 Feb. 2004, The Jamestown Foundation, www.jamestown.org/publications

development' to further emphasise the non-threatening nature of China's growth.¹⁸ If China's is a peacefully rising power, how does one explain its armory of over 30 intercontinental ballistic missiles (ICBMs), 110 intermediate-range ballistic missiles (IRBM) as well as its submarine-launch missile capability (which is still small)? While this nuclear force is by no means comparable to that of the US which has over a thousand nuclear missiles, or Russia with its 635 ICBMs,¹⁹ China's nuclear force does bestow upon it the prestige and deterrent power sought by others in recent times – including India, Pakistan and even North Korea in its formative stages of becoming a nuclear power.

It may be argued that with its minimal deterrent force China is hardly a nuclear superpower to be taken seriously. On the other hand, China does have global reach - how many nuclear warheads are needed to constitute a threat and to be deemed a credible deterrent? Moreover, China's nuclear arsenal is not designed to compete (as occurred during the Cold War between the USSR and US in the accumulation of ever greater numbers and sophistication of nuclear warheads and delivery systems), but to deter threats to China. It does not have a strategic alliance system to defend or an umbrella under which allies shelter – as is the case with the US and its defence partners. Thus China can claim nuclear superpower status without arousing undue suspicion. The suspicion which it does arouse concerns Taiwan – and this is precisely what Beijing intends: to deter a Taiwanese bid for formal independence.

China's Global Power Credentials

In terms of 'global power', China demonstrates an ability to engage in global governance when state-managed (as in the UN and its agencies) and transnational business relations (benefiting from investments from transnational companies), but where issues of dissent and their wider ramifications are involved (particularly democracy and human rights

¹⁸ See Melinda Liu, 'Group Think', *Newsweek*, Issues 2005 Special Edition, December 2004-February 2005, p. 45.

¹⁹ IISS, *The Military Balance 2004-2005*, Oxford University Press, Oxford, 2004, pp. 170, 23, 104.

issues), global civil society is not overly impressed with China. Social networks independent of the state, including human rights activists, as well as postmodernist views on diversity and tolerance, find the authoritarian government of China troubling and out of touch with the global ethos.

Implications of China's Rise

Thus while China provides an alternative to the US modernisation model based on liberal democracy by having incorporated capitalism into a socialist polity, it has still to present an acceptable human rights face to the world. This may be managed through adoption of a contemporary Confucian humanism. An obvious way to show this is in helping less developed countries such as those in Africa, as had been the case under Maoist China when infrastructure projects were being built by the Chinese. Domestically, too, greater attention needs to be paid to the needs of the ordinary people. This attitude has been adopted by the fourth generation leadership, under President Hu Jintao. As Li Genxin pointed out: "Before small groups were encouraged to get rich and lead development. But now attention has shifted to the majority."

Under such circumstances of good international citizen and humane governance internally, China's steady rise in global influence will likely move from the material to the spiritual. As to the fear of China as an economic threat, this must be balanced by the realization that the China market does exist and that it is becoming more entrenched in Western consumer culture. China's improved economy is also creating a new class of business people who will be able to invest in regional economies to their benefit. It was not long ago when Japan was seen as an economic threat and American manufacturers experienced great anxiety over the popularity of Japanese cars and electronics. China as an economic threat needs to be balanced against the opportunities it provides and the services it seeks for its development.

Conclusion

In regard to China as a likely contender for 21st Century superpower status , the evidence is not only material, as seen in a prospering China with global economic reach. It is also civilisational - particularly the contribution of contemporary Confucian humanism to address human rights and the issues of values in global governance. Almost all the speakers at the Beijing short course that I attended in June included culture as a conditioning feature of foreign policy and defence. In this there is hope because culture is not a closed system. Plus the kinship in culture between PRC and Taiwan opens the door for productive relations. Above all, it is Chinese culture which is especially concerned with the cultivation of harmony. There is a huge market for harmony and stability in the post 9/11 world. China can make a contribution in this respect, just as it had for 500 years before the spread of European political power on this planet.

The present time represents an intersection in China's path to renewed greatness. It can go the way of culture and help to advance a human-centred world or it can become self-centred and defensive within its regional buffer zones.

Globalisation and China's modernization tend to favour the former. As China modernises and grows more connected with the global system, it will be compelled by its own internal logic and dynamism to instigate a shift in the international political system. Like the European Union, which found strength in pluralistic unity rather than fragmented sovereignties, China will soon be in a position to cross the threshold of an international system in which states are self-serving to the more Confucian view of 'self-cultivating' (in other words, 'self-civilising') in an interactive global system. The proverbial 'struggle for power' thus converts to 'networks of power'; it is now more profitable to connect than to clash. This ethos applies as much to civilisations as to states and their citizens.

It may be concluded that China has the qualifications to become a 21st Century superpower as it is already acknowledged as a great power in the traditional sense, it is modernizing its huge military giving it the qualification of hard power, and it also can be a transnational performer if the politics of control give way to the soft power of attraction.

This has meant a China that shows its strength not through conquering others but by accommodating them. By being true to its history, China can gain the legitimacy it lacks in the present era. Rather than accumulating the power to act unilaterally, a 21st Century superpower needs to be a force for engaging human energies toward addressing global needs. This is the direction that should be encouraged by the international community. This is also the direction that best serves China's interests.

It has been a pleasure to speak before you all today, and I thank you for inviting me to share my thoughts on a rising China. Ladies and gentleman, thank you.