

China's "Peaceful Rise"

Implications and Challenges

Jing HUANG

Lee Kuan Yew School of Public Policy

Please do not quote without the author's written permission

The Coming of China: 1998-2001

- 1. The 1997-98 Asian Economic Crisis: “The bug was stopped in Hong Kong.”**
 - Beijing realized China’s strength and vulnerability in the global economy.
 - China’s development could be conducive (at least) to the regional economy – “we are all in the same boat.”
- 2. Bombardment of the Embassy in Belgrade on May 7, 1999.**
 - U.S./NATO apologized and compensated for the “mistake” – but what could China really do?
 - Nationalism can cut both ways.
- 3. The airplane collision on April 1, 2001**
 - China detained the U.S. crew members and the plane.
 - China returned the crew members and the plane (in pieces).
 - Could China afford a massive standoff with U.S. and its allies had 9/11 not happened?

Fundamental Dilemmas in China's "Rise"

- 1. China does not have the global military capability, but** China's rapid growth amidst globalization has expanded its "vital interests" all over the world.
- 2. China has to avoid a confrontation with America, but** China's expanding interests in the world would inevitably bring about conflicts between the two great powers.
- 3. All the major problems threatening China's "political stability" are internal, but the "trigger" for the explosion of** these problems can come from abroad.

Adapting to the Reality: New Thinking (2001)

1. **Rising by integrating** into the existing international system, economically AND politically.
2. **Adjusting to** (if not fully abide by), instead of challenging, **the established rules and principles in international affairs.**
3. **China's development must be constructive/conducive to world peace and prosperity**, especially in the Asia-Pacific region.
4. **Recognizing the U.S. role and military presence in Asia**, given that the international security system in Asia-Pacific is based the U.S.-led alliances in the region ---- **China can take a free-ride of this system.**
5. **Insulating domestic (political) problems from “foreign forces,”** and avoiding direct confrontation with the international community on sensitive issues like human rights, freedom and democracy.

“Peaceful Rise” and China’s New Diplomacy

1. **Maintaining a stable (at least workable) relationship with the United States** – the linchpin of China’s foreign policy.
2. **Multilateralism** – maximize China’s options and leverage.
3. **Good neighborhood policy** – avoiding zero-sum games and being accommodative (at least non-confrontational) in solving territory disputes with Asian countries.
4. **Framework of great-power relations** – actively engaging with other major powers to strike a “strategic balance.”
5. **Being a status quo power** – opposing any attempts to undermine the stability of the existing international system (regimes, institutions, and organizations)
6. **Striving for a win-win solution in economic exchanges**, especially with the neighboring countries.

Policy Reorientations under “Peaceful Rise”

1. **America:** no longer anti-hegemonism but anti-unilateralism, and striving to maximize “strategic common ground” with the superpower.
2. **Japan:** treating Japan as an Asian neighbor rather than a U.S. ally and took initiatives to improve Sino-Japanese relations even before Koizumi stepped down.
3. **North Korea:** prioritizing “nuclear free” over “peace and stability” on Korean Peninsula and “leaning forward” toward the U.S. position.
4. **Taiwan:** adopting a pro-status quo approach – “promoting peaceful development across the Taiwan Strait under the one-China principle.”
5. **ASEAN:** endorsing ASEAN’s non-intervention and non-confrontation principles, and supporting its leading role in regionalization.
6. **SCO:** advocating “peaceful, inclusive and open” to the world community.

“Peaceful Rise,” Consequences and Implications

- 1. China has become a “stakeholder” of the existing internationalism— “hedging” replaced “containment.”**
- 2. Interdependence between U.S. and China** has transformed the U.S.-China relations into a relationship with global implications---- G2, wishful thinking or reality?
- 3. China’s increasing influence and assertiveness** in international affairs
 - demanding to be a rule-maker.
 - demanding for power-sharing in international institutions – “democracy in international politics”
- 4. Market shaker?**
- 5. China has become the dynamic center** in Asian politics, economy and diplomacy
- 6. A new Development model:**
 - Soft authoritarian/centralized political system to ensure policy effectiveness
 - Market economy in a flexible “bird cage”
 - Collective goods is prior to individual rights

Challenges to World Politics (led by democracies)

1. **Multilateralism or opportunism**

- Big power credibility is at stake.
- Where and how should China play a leading role in world affairs?

2. **Incompatibility between China's internal political system and the mainstream of the international community has become an essential source of conflicts.**

- Policy transparency
- Rule of law
- Human rights
- Big power responsibility

Challenges to World Economy (based on market)

1. Free-Trade with Financial Mercantilism

- State monopoly of the financial system
- State-led/controlled external/internal investments
- State guaranteed cheap money supply

2. Strong Government Intervention

- Socialist-market economy, in which all the backbone industries are monopolized by the state
- “Strategic” planning and policy-guidance in economic development
- Google

3. Striving for Effectiveness rather than Efficiency

- Seeking possession of assets

Challenges to World Peace and Security

1. Rapid Military Build-up

- The military (e.g., the PLA Navy) has out grown Beijing's international security strategy

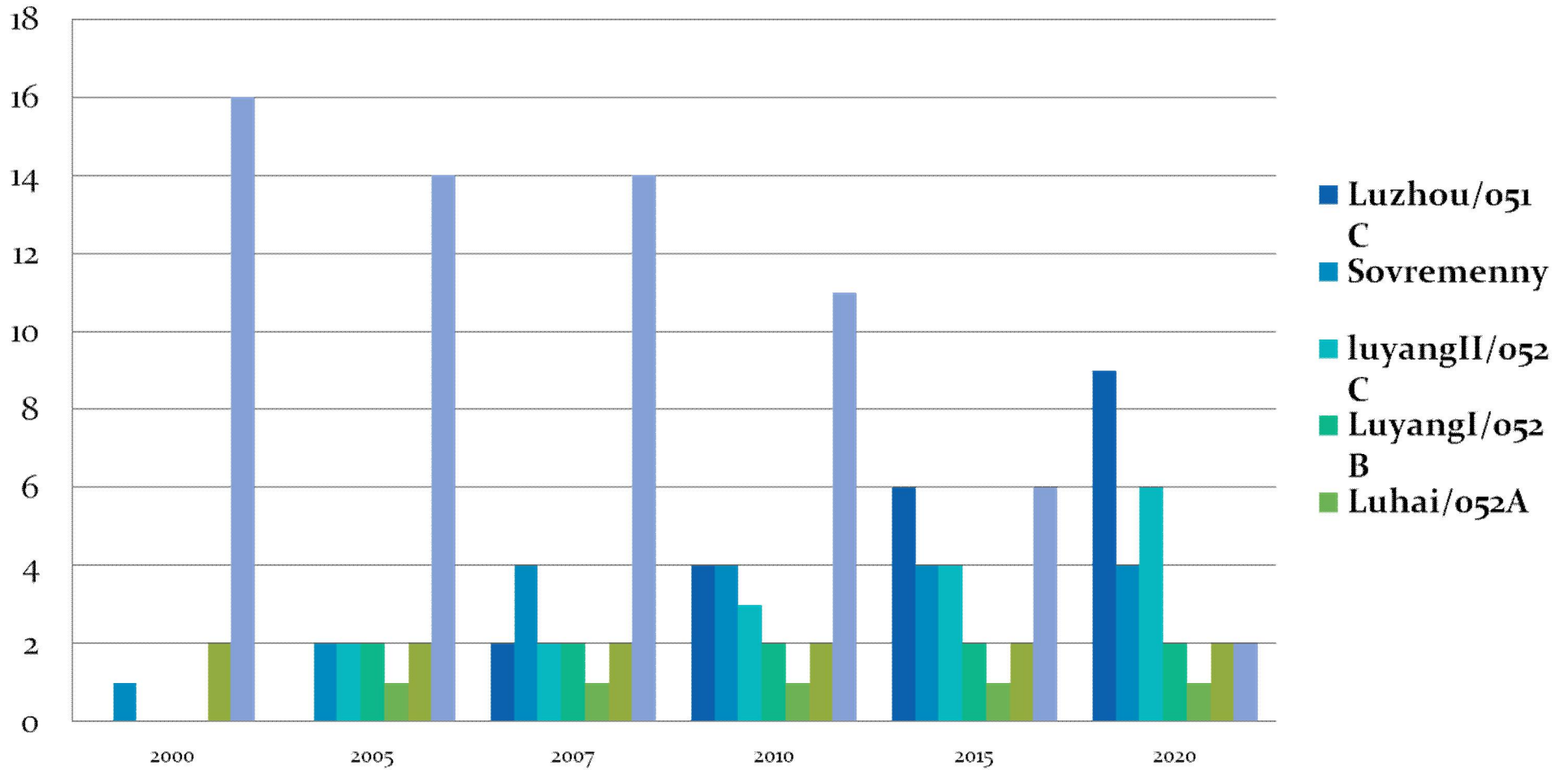
2. China is at the security cross-road

- Should China establish its own global (or at least regional) security framework, or continue to align its security concerns with the international security system dominated by America and its allies?

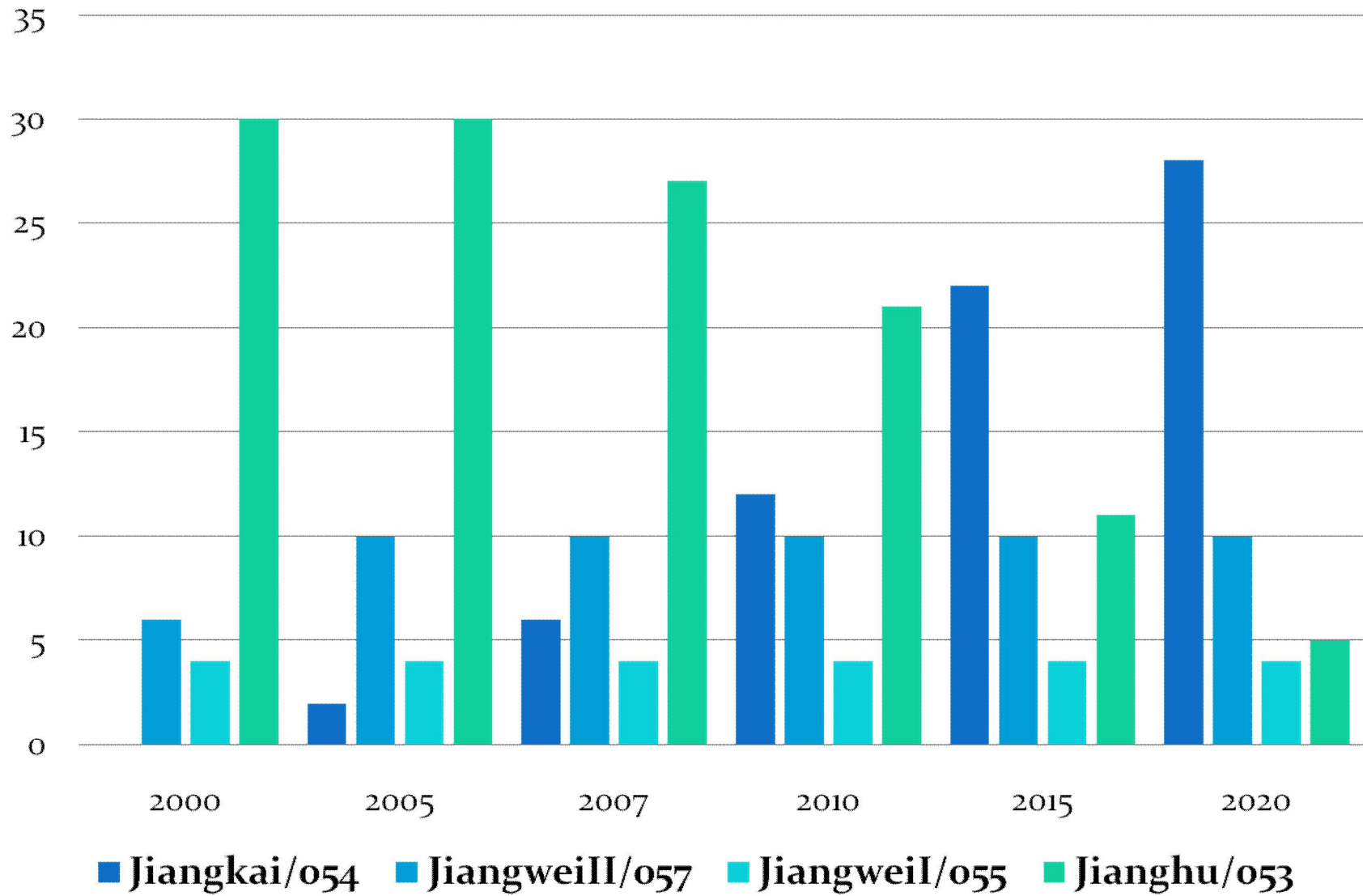
3. Rising Nationalism Drives Security Agenda?

- Territory disputes have increasingly become a domestic political issue
- The Chinese leadership has to appear firm in transnational conflicts ---- nationalistic sentiment leaves the leaders little room to maneuver.

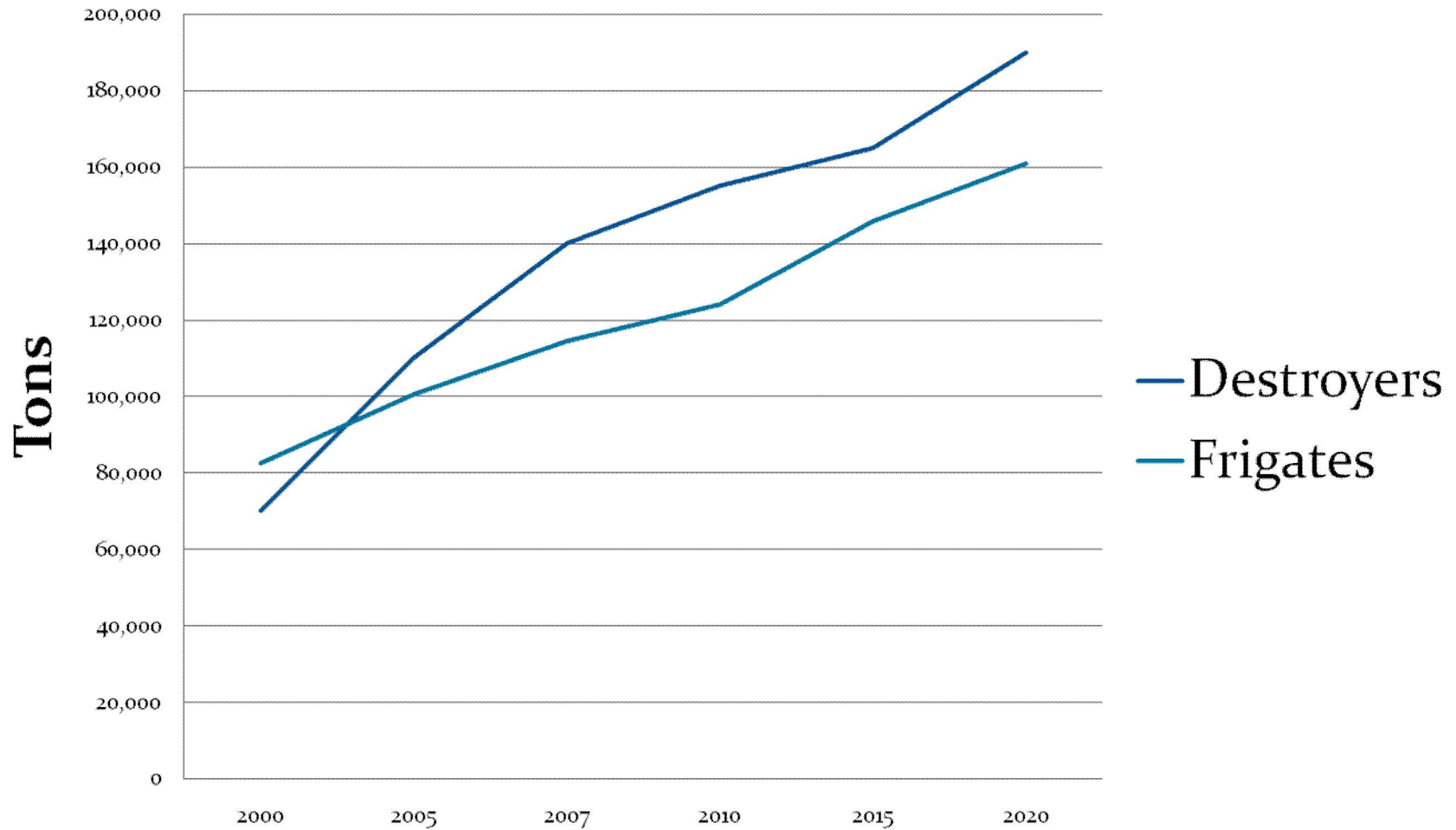
From Green Water to Blue Water: Destroyers



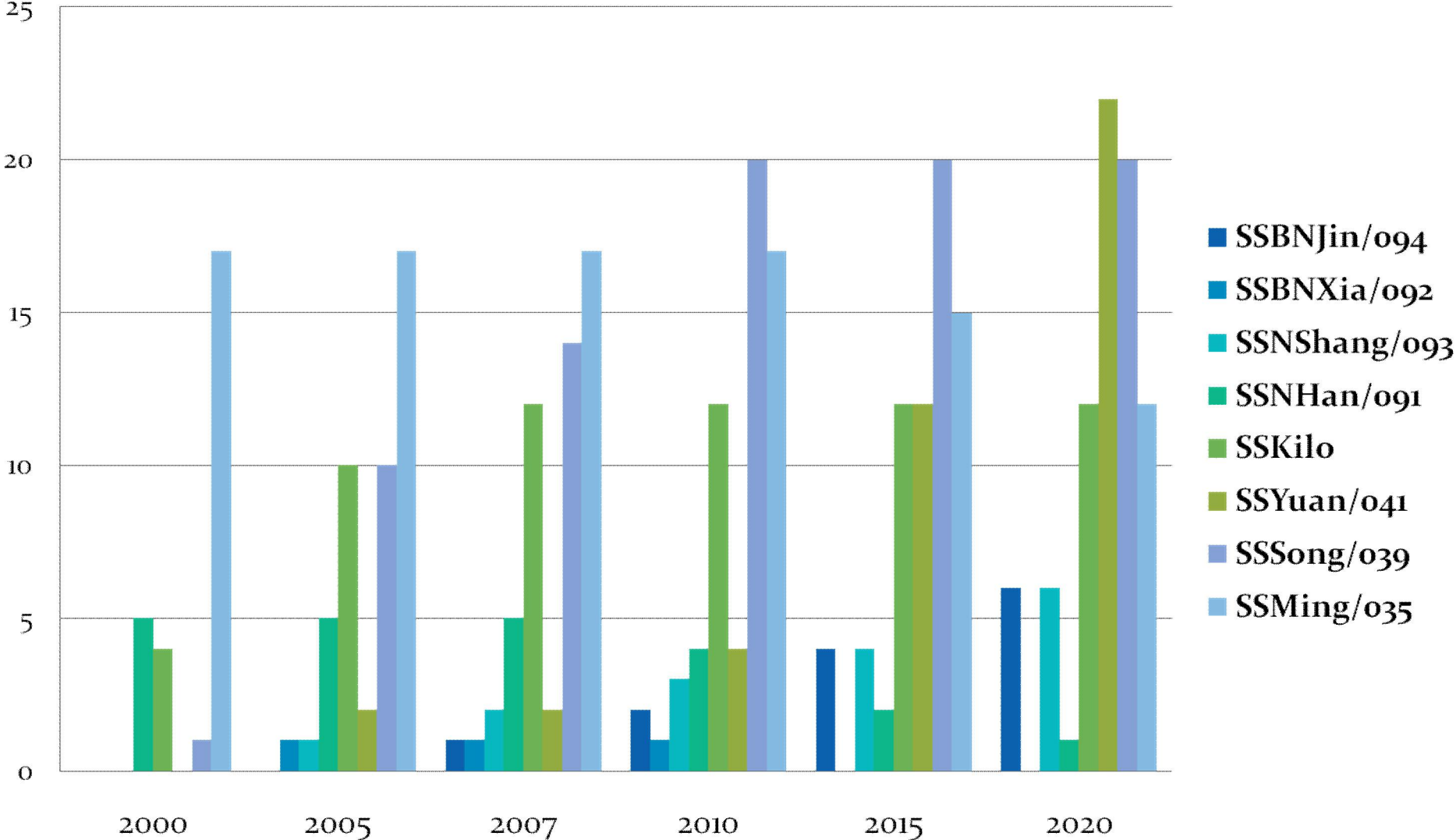
PLAN: From Green Water to Blue Water: Frigates



From Green Water to Blue Water: Warship Displacement



From Green Water to Blue Water: Submarines



From Green Water to Blue Water: Sub Displacement (submerged)

