

China and the World

I wish to begin my essay with a caveat. I am neither a China expert nor a historian. My views are those of a generalist, I have, however, had several happy encounters with China. In 1990, I was Singapore's chief negotiator in the successful negotiations to establish diplomatic relations between our two countries. In 2004, I was Singapore's representative in the ASEAN–China Group of Eminent Persons, established at the suggestion of Chinese Premier Wen Jiabao, to take stock of ASEAN–China relations and to recommend a roadmap to the future. Since 2006, I have co-chaired the China–Singapore Forum, an annual track 1.5 process, together with the President of the Chinese People's Institute of Foreign Affairs, Ambassador Yang Wenchang.

1. History as a Guide to the Future

I believe that if we want to understand China's worldview, we must begin by understanding China's history. I believe that a country's past often provides one with a key to interpreting its present and predicting its future. What strikes me is that in the course of China's long history, the country was often invaded and ruled by the invaders.

During the Northern Song dynasty (960–1127), Northern China was invaded and ruled by the Khitans, a nomadic people of proto-Mongol stock. The Khitans established the Liao dynasty (907–1125) and subsequently, the Western Liao (1124–1211).

During the Southern Song dynasty (1127–1279), the Khitans were defeated by another group of nomadic people called the Jurchen, who

established the Jin dynasty (1115–1234). In 1127, the Jurchen army took Bianjing, the capital of the Northern Song and captured the Song rulers.

From 1279 to 1368, China was ruled by the Mongols who established the Yuan dynasty. From 1644 to 1911, China was ruled by the Manchus, who established the Qing dynasty.

Of greater salience, of course, is China's recent history. Many Chinese today remember the 19th century and the first half of the 20th century as a period of great humiliation for China. It was invaded by the Western imperial powers and Japan and subjected to the unequal treaties. Chinese sovereignty and territorial integrity were compromised. This unhappy period ended only in 1949, with the establishment of the People's Republic of China.

2. China as Victim and as Aggressor

China was not, however, always the victim of aggression. During the Yuan dynasty, the Mongolian rulers of China conquered Korea and, using Korea as the launching pad, tried to conquer Japan twice, but unsuccessfully. The Mongols destroyed Pagan in Myanmar and invaded both Vietnam and Java. Although those invasions were undertaken by the Mongols ruling China and not by a Han Chinese dynasty, the victims of the invasion did not make such a distinction. To them, the invaders came from China. After the passage of so many centuries, these invasions continue to linger in the memories of the peoples of Korea and Southeast Asia. Even the seven maritime expeditions, led by Admiral Zheng He, during the Ming dynasty, have recently come under some revisionist analysis. The majority of historians view the seven voyages as peaceful and pathbreaking, in their scale and scope. A minority view has recently emerged, which views them as a display of Chinese power, meant to intimidate and reinforce the tributary system.

3. What China Wants

My reading of Chinese history leads me to conclude that what the Chinese people want is for China to be a strong nation-state, able to defend Chinese sovereignty and territorial integrity and, increasingly, its far-flung interests. China wants to be respected by the world. China wants a seat at the top table. I do not think China is a revolutionary power which is seeking to export Chinese communism or the Chinese model of development (the so-called Beijing consensus). I do not have the impression that China is seeking hegemony, whether at the global or regional level. I find no evidence to support the allegations that China is trying to impose a Chinese version of the Monroe doctrine on East Asia or that it is trying to re-establish the tributary system of the Ming dynasty. I am also not persuaded by the view that China is scheming to exclude the United States from Asia or the Asia-Pacific.

China wants and needs a peaceful external environment to concentrate on internal development. China would, however, oppose any attempt by any country or group of countries, to contain or impede China's rise. China wants to work within the framework of the international system but expects that the same rules would apply to her as to other countries. China wants to have access to resources in the world market and would perceive any attempt to restrict such access as hostile. China would resent any attempt to manipulate existing rules governing trade and investment to deny her access to markets for her exports or block investment opportunities to Chinese companies and investors.

4. How Powerful Is China Today?

China is a rising power. Many countries have benefitted from China's rise and welcome it. But there are those who fear its rise. Most great economic powers in history are developed countries. China is not. It is a big but developing country. An over-emphasis on the size of China's economy would result in an exaggeration of the power of China. But simply

focussing on China's low per capita GDP would cause us to underestimate China's global influence. It is, therefore, useful to assess, as objectively as possible, China's economic, military and soft power.

5. China's Economic Power

How big is the Chinese economy? What are some of the vital statistics?

In 2008, the Chinese economy was about US\$4.4 trillion, just behind Japan, at \$4.9 trillion. China is expected to overtake Japan this year and become the world's No. 2 economy. China is, however, still quite a distance behind the United States, at \$14.2 trillion, and the EU at \$18.4 trillion, If China continues to grow at 7+% per annum, China will catch up with the US in 20 to 30 years. China is, however, still a relatively poor country. China's per capita income is only \$3,414, compared to over \$45,000 for the US.

China is a major player in international trade, accounting for 7.31% (2009) of world trade. It has replaced Germany as the world's No. 1 exporter. China is both a recipient of FDI and an exporter of FDI. The size of FDI hosted by China is estimated at \$92.4 billion (2009). Chinese FDI abroad is estimated at \$55.9 billion (2009). China enjoys both a trade surplus of \$348.9 billion (2009) and a current account surplus of \$426 billion (2009), China's foreign exchange reserves, of \$2.4 trillion (2009), is the largest in the world. China has become USA's largest creditor country.

China's manufacturing industries have made tremendous progress and, as a result, it is often referred to as the factory of the world. For example, China is responsible for 40% of the world's total output of steel and cement. In 2009, China manufactured 13 million automobiles, surpassing the US.

To sum up, we can say that China has become the world's second largest economy. Barring an unforeseeable internal upheaval or a hostile external environment, China should be able to continue to grow at or

above 7% per annum in the next 20 to 30 years. In time, the size of the Chinese economy will catch up with that of the US. We should, however, remember that, when we divide China's GDP by 1.3 billion people, China's per capita income is relatively low and will not attain the OECD average, let alone that of the US, for many years to come. We should regard China's economic progress and growing prosperity as beneficial to China's neighbours and to the world economy, as long as China continues to be open to the world and play by the international rules governing trade, investment, monetary policy, etc.

6. China's Military Power

Since 1989, China has been devoting significant resources to the modernisation of its armed forces. In 2010, China's declared military budget is \$78 billion. The US has alleged that this does not capture the totality of China's military expenditure. The Stockholm International Peace Research Institute (SIPRI) has suggested that China's total military expenditure could be as high as \$84.9 billion. The equivalent numbers for the US is \$607 billion, for France \$65.7 billion, for the UK \$65.3 billion and for Russia, estimated at \$58.6 billion. This puts the US in a totally different league. The US alone accounts for 41.5% of total world military expenditures.

China's total military personnel is 2.3 million. China's nuclear warheads are estimated by SIPRI to be between 100 and 400. The US Defence Intelligence Agency has estimated that China has between 1,330 and 1,660 ballistic and cruise missiles, mostly deployed near Taiwan. China's space technology has made several major breakthroughs. In 2003, China sent the first astronaut into space. In 2007, China shot down a satellite using sophisticated space technology.

In its 2009 annual report to the US Congress, the US Department of Defence stated that although China has increased its capabilities for local and regional operations in certain areas since 2000, a number of limitations have persisted. These include the PLA's air and amphibious lift capacity.

According to the Pentagon, the PLA is only capable of the sealift of one infantry division and the delivery of 5,000 parachutists in a single lift. The Pentagon also pointed out that although China has a few aerial refuelling aircraft, it does not have the number of tankers, properly equipped combat aircraft or sufficient training to employ this capability for power projection. After reading the Pentagon's report, I do not have the impression that China's military power is catching up with that of the US.

7. China's Soft Power

I will use the term "soft power" in an expansive way to include a country's cultural, political, diplomatic and brand power. The concept seeks to capture all the aspects of a country's power and influence which are not economic or military. The purpose of projecting a country's soft power is to gain the admiration, respect and following of other countries and peoples.

In recent years, China has done an excellent job in projecting its soft power to the world. The spectacular success of the 2008 Beijing Olympic Games not only earned the admiration of the athletics and countries participating in those games but also of millions of people who watched them on television. I am sure the 2010 Shanghai Expo will make a similar impression. Taken together, they could rightly be said to constitute China's coming out party, in much the same way as the Tokyo Olympic Games did for Japan and the Seoul Olympic Games for South Korea.

China is blessed with a rich and ancient civilisation. China has started the Confucius Institute to disseminate its language and civilisation to the world, similar to the British Council, Alliance Française and Goethe Institut. There are 282 Confucius Institutes in 88 countries. It is estimated that 40 million foreigners are learning the Chinese language. There are 223,000 foreign students studying in China. Two of China's universities, Tsinghua University and Peking University, are ranked No. 49 and 52, respectively, in the 2009 *Times Higher Education* Index of the world's top 200 universities.

China has tried to be a responsible global citizen. It provides help to other developing countries. The US Department of State has estimated

that China's official development assistance is between \$1.5 and \$2 billion. China's influence could be seen at the China–Africa Summit in Beijing and the China–ASEAN Summit in Nanning. China has 2,157 personnel serving in 12 UN peacekeeping missions. A few Chinese nationals have assumed leadership roles in international organisations, such as Dr Margaret Chan at the WHO, Dr Justin Yifu Lin at the World Bank and Mr Sha Zukong at the UN.

Finally, China has produced some global icons in sports, film and music, such as Yao Ming, Jackie Chan and Zhang Yimou and Tan Dun.

I want to make an important point here about China's soft power. China's hard power, namely, economic and military power, will continue to develop and expand. In this context, the wise use of soft power by China will soften her image and make a more powerful China less threatening and more inviting and attractive.

8. My Wish List

I want to conclude with three wishes.

First, I wish that as China becomes a more powerful country, it will continue to practise a policy of good neighbourliness and refrain from any temptation to bully her smaller neighbours. The future of China's relations with the world depends as much on how China chooses to interact with the world as on how the world chooses to deal with China. One litmus test of China's sincerity and the credibility of the doctrine of peaceful rise is China's relations with Southeast Asia. In the past two decades, China has earned the goodwill and support of the members of ASEAN through its generous and benign policies. Much is, therefore, at stake in the manner in which China manages its disputes with the claimant states of Southeast Asia, in the South China Sea. I would urge all the claimant States to observe the "self-restraint" commitment in the ASEAN Agreement on the Code of Conduct of States in the South China Sea and refrain from building new facilities on the disputed maritime features. I would also urge them to consider taking confidence-building measures in order to pave the way for negotiations on joint development of the disputed areas.

Second, I wish that China will continue to play a constructive role in the various international organisations, in global governance, and in upholding the rule of law in the world. China has benefitted from the rule-based multilateral system and should support the system. I welcome the constructive role which China is playing in combating piracy off the coast of Somalia and in working with Indonesia, Malaysia and Singapore and other like-minded states, in the Straits of Malacca and Singapore. I also hope that China will take a more positive attitude towards third party dispute settlement institutions and procedures. In addition to using the WTO's dispute settlement procedures, I hope that one day, in the not too distant future, China will refer one of her legal disputes either to the International Court of Justice or the International Tribunal for the Law of the Sea or both. As China's power grows, the world has a right to expect that it will shoulder a greater burden of international responsibility. China will be expected to help in finding solutions to international conflicts, tensions and challenges.

Third, I wish that China will redouble its efforts to deal with its many environmental problems and to embrace sustainable development. At present, China suffers from serious air, water and land pollution in many cities and regions of the country. China has made impressive progress in harnessing solar and wind energy and in developing clean and green technology. The success of China's transition to a low carbon economy would not only benefit the people of China, but the people of the world. A clean, green and environmentally friendly China would further augment China's growing soft power.

Jia you!

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