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## Understanding China's Global Impact

It is China's intention to be the greatest power in the world.

—LEE KUAN YEW, 2011<sup>1</sup>

China does not see itself as a rising, but a returning power . . . It does not view the prospect of a strong China exercising influence in economic, cultural, political, and military affairs as an unnatural challenge to world order—but rather as a return to a normal state of affairs.

—HENRY KISSINGER, 2012<sup>2</sup>

China's peaceful development has broken away from the traditional pattern where a rising power was bound to seek hegemony.

—China's White Paper on Peaceful Development, 2011<sup>3</sup>

The United States welcomes China's rise as a strong, prosperous and successful member of the community of nations.

—PRESIDENT BARACK OBAMA, 2011<sup>4</sup>

SITTING IN THE REVIEWING stand on the north end of Tiananmen Square on the occasion of China's national day and the sixtieth anniversary of the People's Republic of China on October 1, 2009, under the watchful eye of Mao's giant portrait on Tiananmen Gate, I had an uneasy feeling. There, before my eyes, were the stark contradictions of China's rise.

As I watched the columns of ten thousand goose-stepping soldiers marching past in tight formation, touting automatic weapons with heads cocked toward the official reviewing stand, followed by massive trucks ferrying huge intercontinental ballistic missiles and stealthy

cruise missiles, modern tanks, rocket launchers, artillery, armored personnel carriers, with jet fighters and bombers cruising overhead, I did some live commentary by cell phone for CNN (which was beaming the images worldwide). The anchorwoman in Hong Kong asked for my impressions. I observed that the orchestrated military display—an eerie flashback to similar Soviet and North Korean martial displays—was a perfect metaphor for the contradictions that China’s rise engendered. On the one hand, the parade was primarily intended for domestic consumption—for the 1.4 billion Chinese who had been told for sixty years that their nation must stand tall in the world. Carefully choreographed and practiced with meticulous precision over the previous year, for the Chinese audience it was meant to assuage the national craving for international respect and demonstrate that China now stood tall and had retaken its rightful place as one of the world’s powers. On the other hand, the military hardware was meant to impress the world with China’s new hard power—offering a complete contradiction to the government’s repetitive mantra about its “peaceful rise” and benign intentions.

The hour’s display of military might was presaged by China’s President Hu Jintao cruising the Avenue of Heavenly Peace in an open-top Red Flag limousine reviewing the troops and barking out words of encouragement: *Tongzhimen hao! Nimen xinku le!* (Greetings, comrades! You’re suffering!). Hu’s steely demeanor fit the seriousness of the moment. After the weaponry rolled past, we witnessed a second hour of flowered floats of propaganda slogans, singing children, dancers, colorful ethnic minorities, and other displays of China’s softer side. This contradictory collage of images was jarring and made me wonder what messages the Politburo and czars in the Propaganda Department of the Chinese Communist Party (CCP) wished to convey to the world.

I also reflected on the extraordinarily intense security dragnet that had blanketed Beijing over the previous month. Police and special forces were deployed and patrolled neighborhoods, roads into the capital were blocked; migrants and dissidents were rounded up; foreigners’ IDs were checked and double-checked; manhole covers throughout the city were taped shut so no terrorists could hide inside and spring forth to launch a surprise attack; and checkpoints were set up throughout the

city. Along the parade route, all offices were closed for a week before and several days afterward while residents in flats facing onto Chang'an Avenue (where I lived) were told to stay away from their windows on the day of the parade. On October 1, the whole city went into lockdown—scores of police and threatening-looking commando squads dressed in black were posted at intersections, streets were blocked to traffic, and people were not permitted to go within a one-kilometer perimeter of the parade route. Those fortunate enough to have an invitation to the event were ferried to Tiananmen Square by special buses from a staging area at the Workers Stadium.

The only time I had experienced such intensive security in Beijing was in the aftermath of the June 4 “massacre” in 1989, and I could not help but think there was a connection between the two; the 2009 parade (and the 2008 Olympics the year before) afforded China's security services with opportunities to sharpen their regimens so there would never be a repeat of 1989. But, more deeply, I wondered: If the Communist Party is so proud of its achievements and sixty years in power, what is it so afraid of? Why the need for such intensive security? The answer is that the authorities genuinely feared sabotage of the military equipment or disruption of the festivities by “ethnic separatists” or domestic terrorists; either would have left a very dark stain on the government's image and would expose the undercurrent of bubbling discontent that ripples throughout Chinese society. But it belied a deeper insecurity on the part of the regime.<sup>5</sup> The juxtaposition of pride and patriotism, on the one hand, mixed together with the Party's deep insecurities and the obsession with control, on the other, spoke volumes to me about China's current conflicted (and insecure) condition.

Following the two-hour spectacle and after comparing impressions with American Ambassador Jon Huntsman and German Ambassador Michael Schaeffer back at the Workers Stadium staging area, I mounted my trusty bicycle and navigated the Beijing neighborhoods and circumvented roadblocks back to our apartment (where I was spending the year on sabbatical). As I pedaled through Chaoyang District I could not help but compare that exhibition with another spectacle I had witnessed just fourteen months before in Beijing: the closing ceremony of the 2008 XXIX Olympiad. Sitting with my son Alex that warm summer evening in the “Bird's Nest” Olympic Stadium, we were treated

to a demonstration of China's "soft power": several hours of creative choreography, breathtaking theatrics, colored floodlighting, as the athletes of 204 nations and territories swayed on the stadium infield to the Chinese theme of "One World, One Dream." It was an impressive display (as were the opening ceremonies). It left me hoping that, having had its moment in the international spotlight during the impressive and successfully managed Olympic Games, China might be able to shed its sixty-year national identity of victimization by foreigners and move forward in the world with a new confidence.<sup>6</sup>

One year later, having just experienced the martial display of China's "hard power," as I bicycled home through Beijing's neighborhoods I reflected on these twin events—the first of which reassured the world, the second of which frightened the world. The juxtaposition left me wondering which of these two Chinese "faces" would the new China project on the world stage. The answer came quickly. Over the course of the next year (2010), which has become known as China's "year of assertiveness," the Chinese government took a number of disconcerting diplomatic actions toward its Asian neighbors, the United States, Australia, and the European Union. Collectively, as I opined in a newspaper op-ed at the time, the "Chinese tiger was showing its claws."<sup>7</sup> In the wake of these actions, during 2011–12, China recoiled and recalibrated its diplomacy somewhat. It undertook a campaign of diplomatic reassurance toward these countries and launched a multifaceted soft-power and public-diplomacy drive aimed at improving China's image worldwide. Yet, embedded in these events and personal vignettes lie the complexities of China's "rise."

### **Grasping China's Global Impact**

China is the world's most important rising power. In two decades, China has moved from the periphery to the center of the international system. Every day and everywhere, China figures prominently in global attention. Wherever one turns, China is in the news—gobbling up resources, soaking up investment, expanding its overseas footprint, asserting itself in its Asian neighborhood, being the sought-after suitor in global governance diplomacy, sailing its navy into new waters, broadening its global media exposure and cultural presence, and managing

a mega-economy that is the engine of global growth. China's global impact is increasingly felt on every continent, in most international institutions, and on many global issues. By many measures, China is now clearly the world's second leading power, after the United States, and its aggregate economy is due to surpass that of the United States sometime around 2025.

For the past three decades, observers have watched how the world has impacted China; now the tables are turning and it is necessary to understand how China is impacting the world. China's emergence on the world stage is accelerating dramatically in pace and scope—and it is important to understand the different manifestations of its “going global.”

China's global expansion did not occur by happenstance. It grew directly out of Communist Party and government policies launched at the famous Third Plenary Session of the Eleventh Central Committee in December 1978 to engage in “reform and opening” (改革与开放). Throughout the 1980s, China “invited the world in” (引进来) and began its hesitant baby steps on the world stage—particularly in overseas educational and science and technology exchanges. By the early 1990s, there was a conscious government policy launched to encourage Chinese commercial firms to “go out” (走出去) and for Chinese localities and organizations to more generally “go global” (走向世界). The encouragement to Chinese companies did not really begin to materialize fully until the mid-2000s, while considerable international initiatives were being launched by a wide variety of Chinese organizations, localities, and individuals. In 2008, China launched its global cultural blitz, attempting to improve its international image and build its soft power. Militarily, during the same decade the People's Liberation Army (PLA) stepped up its international foreign exchanges, amounting to more than four hundred annual exchanges. Thus, the origins of China's “going global” date back several decades, even if the manifestations of it are more recent.

Over a longer period of time, a distinguishing feature of China's modernization mission has been the national pursuit of “comprehensive power” (综合国力). The Chinese have wisely learned one key lesson from studying the experiences of other previous powers: genuine global powers possess multidimensional strength. Chinese strategists

have observed the failings of other powers that possessed strength in only a single dimension or a few, and they have thus concluded that it is important to build and cultivate power comprehensively across a variety of spheres: the economy, science, technology, education, culture, values, military, governance, diplomacy, and other sectors. The Chinese grasp the idea that power is comprehensive and integrative, not atomistic. Nor is power today the same as in the nineteenth or twentieth century, when industrial and military power prevailed; today it must reflect a strong cultural and normative dimension (soft power) as well. Thus, China's contemporary effort to regain its status as a global power has consciously included multiple dimensions.

But *how* is China's newfound comprehensive power manifest globally today, and *how* will China influence global affairs in the future? These are *the* grand strategic questions of our era, and the subject of this book.

This book joins an expansive existing literature on China's rise published over the past two decades. There are many excellent studies.<sup>8</sup> What makes this study different is its comprehensiveness and its argument. In individual chapters, this study comprehensively covers six distinct dimensions of China's global emergence (perceptual, diplomatic, global governance, economic, cultural, and security) and multiple manifestations of each. In this way, this study differs from most other "China rise" books that examine only one or two of these dimensions (usually economic or military) and largely describe the country's ascent in a "vertical" fashion—its asymmetrical encounter with the world's leading power (the United States) and the historical propensity for conflict to result between the principal established power and the challenging rising power.<sup>9</sup> Some hype the "China threat."<sup>10</sup> This book takes more of a "horizontal" approach to China's "spread" rather than its vertical rise, examining how its impact is expanding across the globe in these six specific spheres.

Some observers have already triumphantly proclaimed that China will "rule the world."<sup>11</sup> This perspective is profoundly overstated and incorrect, in my view. I argue in this book that China has a very long way to go before it becomes—if it *ever* becomes—a true global power. And it will never "rule the world." The evidence presented in this book reveals that China has an increasingly broad "footprint" across the globe,

but it is not particularly deep. Even its presence varies substantially by sector and region. China's appeal as a "model" to others is weak to non-existent, I argue. Moreover, China's global posture is beset by multiple weaknesses—not the least of which are domestic—and that the nation's strengths are not as strong as they seem on face value.

I further argue that China remains a lonely power, lacking close friends and possessing no allies. Even in China's closest relationships—with Russia, Pakistan, and North Korea—strong elements of distrust percolate beneath the surface of seemingly harmonious state-to-state relations. In other words, China is *in* the community of nations but is in many ways not really *part* of the community; it is formally involved, but it is not normatively integrated. It is a member of most international organizations, but is not very active in many (aside from when it seeks to assiduously protect its narrow national interests). I also judge its diplomacy to be hesitant, risk-averse, and narrowly self-interested. China often makes known what it is *against*, but rarely what it is *for*. It often stands aside or remains passive in addressing international security challenges or global governance issues. The common denominator to most of China's global activities and foreign policy is China's *own economic development*, which leads to a mercantilist trade and investment posture. I also find that China possesses little soft power, if any, and is not a model for other nations to emulate. For these and other reasons, elaborated in subsequent chapters, I have subtitled the book *the partial power*.

But perceptions sometimes belie reality. Whether China will become a global power or not, or is already one, it is already *perceived* as such by many around the world. Global publics already view China as a global power and *expect* China to overtake the United States as the world's leading power sometime in the next quarter century. The 2011 Pew Research Center Global Attitudes Project polled publics in twenty-two nations and found that in fifteen countries the balance of opinion was that China will—or *already has*—replaced the United States as the world's leading power.<sup>12</sup> China certainly already possesses many of the trappings of a global power: the world's largest population, a large continental landmass, a manned space program, an aircraft carrier, the world's largest museum, the world's largest hydroelectric dam, the world's second-largest economy, the world's second-largest military

and budget, the world's annualized highest growth rate over the past three decades, the world's largest exporter, the world's largest foreign exchange reserves, the world's second-largest recipient of foreign direct investment, the world's largest number of millionaires and billionaires, and the world's largest producer of many goods.

Despite these attributes, this book argues and demonstrates that China lacks real global power. I argue that China is a global *actor* without (yet) being a true global *power*—the distinction being that true powers *influence* other nations and events. Merely having a global presence does not equal having global power unless a nation influences events in a particular region or realm. Shaping the desired outcome of a situation is the essence of influence and exercise of power.

In these regards, I follow Harvard Professor Joseph Nye's definitions in his recent book *The Future of Power*.<sup>13</sup> Nye's definition of power is similar to the often cited one offered by Robert Dahl: that power is the ability of A to make B do what it would otherwise not do.<sup>14</sup> Professor Nye also argues that, by themselves, resources do not constitute power unless they are used to try to influence the outcome of a situation.<sup>15</sup> In other words: wealth  $\neq$  power  $\neq$  influence. The essence of power, Nye argues, lies in the *conversion* of resources into influence, which is the exercise of power.

Adopting these definitions of power offered by Professor Nye, this study shows that *only in some sectors* does China actually exercise global influence: global trade patterns, global energy and commodity markets, the global tourism industry, global sales of luxury goods, global real estate purchases, and cyber hacking. In these areas, China is markedly influencing global trends. Other than in these limited areas, though, this study finds that China does not really influence global events.

This is a somewhat surprising conclusion for me to come to, as I had expected when embarking on this research project in 2007 to find China exerting power and influence in many areas on a global basis. Instead, I found that China is *present* and *active* in various parts of the globe and in various functional spheres—but is not (yet) *influencing* or shaping actors or events in various parts of the world. Sometimes, ironically, it influences events through *nonaction*, negative action, and diplomatic passivity, such as on North Korea, Iran, Syria, or climate change. Moreover, in my view one does not see Beijing proactively and positively trying to resolve *any* global problem. Sometimes it perpetuates problems through



exercising vetoes in the United Nations Security Council or propping up dictatorial regimes against Western will—teaming up with Russia and other authoritarian regimes in what might be described as “coalitions of the unwilling.”

Generally speaking, Chinese diplomacy remains remarkably risk-averse and guided by narrow national interests. Chinese diplomacy takes a kind of lowest-common-denominator approach, usually adopting the safest and least controversial position, and usually waits to see the positions of other governments before revealing their own. The notable exception to this rule concerns China's own narrow self-interests: Taiwan, Tibet, Xinjiang, human rights, and its maritime territorial claims; on these issues Beijing is hypervigilant and diplomatically active. Other than protecting these narrow national interests, though, Chinese diplomacy remains extremely passive for a state of its size and importance. Perhaps this relative passivity reflects Beijing's conscious strategy of “maintaining a low profile” (韬光养晦), as directed by Deng Xiaoping more than two decades ago. Perhaps it reflects Beijing's long-standing discomfort with, and opposition to, what it describes as “power politics” (强国政治) and the “Cold War mentality” (冷战思维). Perhaps it just reflects uncertainty and inexperience with its newfound role of being a global power. Whichever is the case, China demonstrates a conscious decision or distinct inability to shape world events. For years, many scholars and diplomats have praised China's ability to compensate for its strategic weaknesses over time, allowing the People's Republic to “punch above its weight” in world affairs. On the contrary, I argue in this volume that Beijing punches well below its weight. The world should expect much more from Beijing.

When examining other dimensions of China's global posture, one finds a similar pattern of breadth but not depth, presence but not influence. Militarily, China is not able to project power outside of its Asian neighborhood (other than ballistic missiles, space program, and cyber warfare capacities), and even within Asia its military power projection capacities remain limited (although growing). Culturally, despite the enormous efforts and resources being poured by the Chinese government into trying to build its soft power and improve its international image since 2008, China continues to have a mixed-to-negative global

reputation (as shown below), while its cultural products—art, film, literature, scholarship, music, etc.—are not setting global trends and are little known outside of China. Even economically—the one area where one would expect China to be a global trendsetter—we find in Chapter 5 that China’s impact is much more shallow than anticipated. Its products have poor international brand recognition; only a handful of its multinational corporations are operating successfully abroad; its overseas direct investment (ODI) ranked only fifth in the world in 2010 with five times *less* ODI than the United States; and (despite being the world’s second-largest economy) China’s overseas aid is a fragment of that of the United States, European Union, Japan, Scandinavian countries, or the World Bank.

Other measures also do not give China very positive rankings. For example, in 2009 Freedom House ranked China 181 out of 195 countries for freedom of the press.<sup>16</sup> Since 2005 the World Bank’s global governance indicators have consistently ranked China in the 60th percentile for government effectiveness and 40th percentile for rule of law.<sup>17</sup> The World Economic Forum ranked China only twenty-sixth globally on its composite Global Competitiveness Index in 2011, forty-eighth for corruption, fifty-seventh for business ethics, and sixty-sixth for corporate accountability.<sup>18</sup> Transparency International ranks China even lower (seventy-eighth) in its 2011 international corruption index.<sup>19</sup>

By these and other measures, it is clear that China’s global presence and reputation is mixed. It remains a long way from becoming a global superpower like the United States (which has comprehensive power and global influence across economic, cultural, diplomatic, security, governance, and other realms). Over time it may gain these attributes, but for the time being China remains very much a *partial power*.

### The World Views China

China’s global reputation has fluctuated over the past decade and has in fact declined globally in recent years. During 2000–2007, China enjoyed a generally positive international image in most countries and Beijing was credited as being on a “charm offensive.”<sup>20</sup> But since 2008 China’s global reputation has generally declined worldwide, except in Africa and some countries in Asia. For their part, many Chinese

remain indignant about how their country is perceived abroad, claiming that Western media bias distorts the “real China.” As State Council Information Office Vice Director Wang Guoqing told the World Economic Forum in 2010, “What is on our top agenda is to find a way accepted by other nations to tell China’s story and help the international community understand China.”<sup>21</sup>

Perhaps this is true to some extent, but various factors influence and complicate China’s global persona. It is not merely a matter of the inept messages Beijing seeks to project, but also a result of negative Chinese behavior and policies at home and abroad. China’s huge trade surpluses have contributed directly and indirectly to job losses around the world (this has particularly been a factor in China’s declining image in Europe and Latin America). China’s military modernization and regional muscle flexing in Asia has tarnished its reputation there. Its domestic human rights situation has been a long-standing concern to Western countries. China’s political system is not admired abroad, although its economic growth is. China’s environmental record and contributions to global warming are similarly criticized abroad.

As a result, China’s rise in world affairs has been disconcerting for many, with China often seen as enigmatic, nontransparent, truculent, propagandistic, and dismissive of foreign concerns. China is also seen by many as not comfortably fitting into the existing international liberal order and having a hidden “revisionist” agenda to overturn that order. For those in the “Global South” (Africa, Asia, and Latin America) there is thus some sympathy with China on this score, but much greater angst exists in the West. Simplistic foreign stereotypes and biases also preclude many from seeing an increasingly complex and nuanced China at home and abroad.

Although there are no regular public opinion polls taken concerning global public opinion of China, since 2005 a number of significant ones have been undertaken. Of these, the most systematic and comprehensive data come from the Pew Global Attitudes Poll, which provides fairly consistent polling of more than twenty countries since 2005. What we see in the Pew polls is, first, a *globally mixed perception* of China, combining favorable and unfavorable views.<sup>22</sup> Indonesia, Kenya, Pakistan, and Russia have held consistently positive views of China. Conversely, Germany, Japan, Mexico, Spain, and Turkey have

held consistently negative views over time. Every other country shows mixed results, straddling the favorable-unfavorable divide. Second, with a few exceptions the Pew polls also clearly indicate a significant decline in China's global image from 2006 to 2008, but a general rise in the favorability rating from 2009 to 2011 (Mexico and Turkey excepted, which continued to hold overwhelmingly negative views of China).

The British Broadcasting Service (BBC) conducts annual global surveys as well. Their country sample is similar, but slightly different from the Pew dataset—adding Canada, Peru, Chile, Portugal, Italy, Nigeria, Ghana, South Africa, China, Philippines, Australia, and South Korea. They poll 27 countries, providing a richer sense of how Africans, Asians, Europeans, and Latin Americans view China. The survey for 2011 shows generally positive views of China in Asia (with four exceptions: Australia, South Korea, India, and Japan), Africa, and Latin America (with the exception of Mexico)—but predominantly negative views across Europe and in North America.<sup>23</sup>

In some ways, the BBC polling reaffirms the findings of the Pew survey for 2011. Overall, as with Pew, the BBC findings also showed an overall rise in positive global views of China from 2010 to 2011, with the notable exceptions of Canada, India, Japan, Mexico, and the United States (where they all declined from 2010 to 2011). Taken together, the Pew and BBC data provide an interesting window into how China is presently perceived in the world. China continues to enjoy “pockets of favorability” in Africa, Latin America, and parts of Asia. But it also suffers from persistent “pockets of negativity” across Europe and parts of Asia. North Americans seem more ambivalent. The most important conclusion is that China's global image remains mixed and the majority of the world is very ambivalent about China's rise.

How does China see its own rise and role in world affairs? We turn to this in the next chapter.