The Rise of a Liberal China?

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Abstract It is widely believed that China is rising. The implications of the rise of China are complex, and there are different assessments. China is in transition. It is undergoing a rapid transformation from a relatively backward to a more modernized country and from a lower level living standard to an overall well-off society. Though having become the world's second largest economy, China is not yet an affluent society, with a number of contradictions or problems to be overcome. Given the constant changes in the country, those boundaries that are distinguishing developing and developed status are becoming increasingly blurred. This massive transition, profound and complex in nature, has given rise to China's multiple identifications. China's decisions or options today may have a considerable impact upon the rest of the world. Against this backdrop, it is believed that China needs to better define its desirable role in the world, and thus far different answers have been given in China.

Keywords China's rise · Liberal China · Peaceful rise · Identity · Military modernization

Introduction

Several years ago, the 12-part TV documentary series “Rising Powers” (*daquo jueqi*) was airing in China. This popular television documentary series portrayed the conditions that gave rise to other modern great powers in history (Portugal, Spain, Holland, France, Great Britain, Germany, Russia, the USSR, Japan, and the United States). It attracted much attention at home and abroad. What constituted the background was the lively ongoing debate on China's possible “peaceful rise”. Four years later, it was widely reported that China surpassed Japan and became the

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world's second largest economy. Even though China usually intends to keep a low profile in terms of national comprehensive power, China's official white paper says that its total economic output reached \$5.88 trillion in 2010, more than 16 times that of 1978 when China started to reform, and amounted to 9.3 % of the world's total from 1.8 % in 1978.¹ Undoubtedly, China is rising. A heated debate had emerged over the impacts and implications of China's rise. This chapter first analyses China's options for the liberal domestic and international policies which have contributed to its growth, and then elaborates on the debate within China on its own ascent and accompanying views on China's self-identification. This chapter also discusses whether China's "peaceful rise" doctrine accommodates its military modernization drive, before coming to the conclusion.

The Rise of a Liberal China?

China has been undergoing profound changes over at least the past three decades now. The (re)emergence of a major power such as China, given its sheer size and population, will inevitably impact the world tremendously. While the global financial crisis has proved to be a serious setback for the liberal international order—the growth of protectionism, the stalled Doha Round of multilateral trade negotiations, discredited "market fundamentalism", and the bankruptcy of the so-called "neo-liberalism," defined as the "one-size-fits-all" kind of "Washington Consensus" dogmas and the corresponding policy recommendations—it may have become a turning point for the rise to prominence of the emerging powers, represented by the so-called Brazil, Russia, India, China, and now also South Africa (BRICS) nations² including China. The change to a more multipolar world now seems more apparent, and China's rise has accelerated this trend. When the Western countries have been struggling with the crises, China has been relatively more successful in combating the global crisis and maintained robust economic growth, and thus served as a key growth engine to save the world economy from the great recession. These facts have prompted discussions and debates about whether there is an emergence of the "China (development) model."

For a leading Chinese philosopher, the implications of the "China model" for the world are that China's success has demonstrated it is not true there is only one mode of development in the world. In fact, there are alternative development patterns. Every nation must have a clear understanding of its own national situation first and meanwhile refer to other countries' experiences to learn something. They should have dialogues on an equal footing.³ According to others,⁴ there is no such thing as

¹ The State Council Information Office, *China's Peaceful Development*, available at <http://www.scio.gov.cn/zfbps/ndhf/2011/index.htm>.

² This was coined by Jim O'Neil of Goldman Sachs and refers to Brazil, Russia, India, China, and South Africa.

³ An interview with the Director of the Central Compilation and Translation Bureau, available at <http://www.chinanews.com/gn/2011/03-03/2881172.shtml>.

⁴ For example, Chen Zhiwu, a professor at Yale University School of Management.

a “China model.” China’s hyper growth over the past three decades has proved that market economy is the fundamental way out for the increase of individual freedom and wealth. If this is reversed, freedom and wealth in the whole society are reversed also, regardless in China or other countries.

No matter whether a distinct “China model” exists in the real life and to what extent it can be positively evaluated, a fundamental and fascinating development may have been the recent emergence of a liberal China.

According to G. John Ikenberry, liberal order means “an open, rule-based system organized around expanding forms of institutionalized cooperation.”⁵ In this sense, liberal international order can be contrasted with alternative logics of order—blocs, exclusive spheres and closed geopolitical systems. For James Kurth, liberal internationalism as we have known it over the past generation or two has included several interrelated but distinct elements: (1) liberal democracy in politics; (2) free markets in economics; (3) an open society with respect to borders and culture, and (4) multilateral diplomacy in international affairs.⁶ I use these stipulations as overall criteria to evaluate changes and trends in China.

Democratic Development

On the first element, according to *The Oxford Paperback Dictionary*, “liberal” means “tolerant, open-minded, especially in religion and politics”.⁷ It basically refers to the protection of private property and the guarantee of individual rights. In 2004, China instituted an amendment of its constitution which established within it important new articles including “legitimate private properties cannot be deprived” and “the state protects the citizens’ private property right and the right to inheritance”. Incorporating this seemingly obvious content into the constitution was actually not a small development. It was the logical political reflection of the consolidation of the market economy in China. Market economy is based on transactions, and the conduct of transactions is premised on the safety of property. Thus market economy inherently requires that the citizens’ private property right is guaranteed and is made clear in the constitution, the highest legal authority. Though one has to confess that the protection of individual rights in China is far from perfect, it is safe to say that the country is moving in the right direction.

Also, a Chinese-style democracy is developing in China, for example at the grassroots level.⁸ Its features include wider political participation, an inclusive political process that accommodates inputs from different quarters of Chinese society, and collective political leadership with regular turnover based on term limits.⁹ Deputies elected to the people’s congresses at different levels participate more proactively these days in deliberations on public affairs. Members of the Chinese People’s Political Consultative Conference (CPPCC) at various levels

⁵ Ikenberry (2010).

⁶ Kurth (2011).

⁷ *The Oxford paperback dictionary*, Fourth Edition, Oxford University Press, 1994, p. 461.

⁸ Ogden (2002).

⁹ See also Liu and Chen (2012).

gradually can have their voices heard and have bills established. Undoubtedly, the evolving institutional arrangements in China will inevitably bear “Chinese characteristics.” This is a monumental issue, which is beyond the scope of this article. Below I will analyze the three other elements in turn.

Free Market

The reform era in China has been a period marked by the dissolving of the command economy system and the growth of a market economy. Accompanying this was a theoretical evolution that culminated in 1992 when the Chinese leadership decided that establishing a “socialist market economy system” should become the new strategic objective of China’s reform and opening. A market economy inherently requires removing all kinds of out-of-date regulations that constrained the free flow of people, capital, information, and labor. That is exactly what has happened in the Chinese society.

A milestone in this regard was China’s entry into the World Trade Organization (WTO) in December 2001, after a long, strenuous journey of negotiating for 15 years for GATT/WTO membership. By the time of the tenth anniversary of China’s WTO membership, the WTO entry has led to several profound changes. First, China’s average tariff level has lowered from 15.3 to 9.8 %. Second, considerable non-tariff barriers, such as subsidies and favorable export treatments have been removed. Third, China has opened up over 100 service trade sectors. Fourth, there have been governmental behavioral changes. Previously, government agencies at different levels often resorted to the notorious “red-headed documents” (*hongtou wenjian*) to exercise, often inefficiently, the management of economic activities. Each year they issued numerous documents of this kind. This is no longer valid. Nowadays WTO rules have to be observed for openness and transparency, treating Chinese and foreign firms, state-owned or private, on an equal footing. Accordingly, China has undergone the large-scale action of clearing laws and regulations, involving over 3,000 of them.¹⁰

Through a learning process of applying market rules and establishing a stable, transparent, and predictable trading system, the business environment in China has become much more open. By implanting the WTO principles of non-discrimination, transparency, and fair play in China’s economic system, market consciousness, the spirit of the rule of law, and the idea of intellectual property rights protection have been established. In a word, with WTO membership, China has decided to play by the WTO rules and it has experienced a role change from being a new member to an active participant and accelerator in the WTO. Over 10 years ago, when the difficult and hardheaded bilateral negotiations were still going on, people in China called this WTO membership business “dancing with the wolves.” After all, dancing has to be conducted in line with the rules, and this is exactly the case in the world trading system.¹¹ According to Long Yongtu, onetime Chief Chinese Negotiator for WTO

¹⁰ “Minister of Commerce Chen Deming spoke at the World Economic Forum,” *Renmin ribao* (*People’s Daily*) (overseas edition) 29 January 2011, p. 2.

¹¹ For an excellent overview, see Zhenyu (2011). Sun was the first Chinese Ambassador to the World Trade Organization.

Accession, because of China's WTO membership and its commitment to observing rules and opening up the markets, the external environment of Chinese development has greatly improved. It is generally believed that a nation, however powerful, does not pose a threat as long as it accepts and observes rules. Committed to solving trade and other disputes within the WTO, China has avoided direct confrontations with other nations.¹²

In addition to the WTO, China has been actively pursuing free trade agreements bilaterally and regionally. China has already reached seven bilateral FTAs with Association of Southeast Asian Nations (ASEAN), Peru, Pakistan, Chile, New Zealand, Singapore, and Costa Rica. Five more FTAs are under negotiations, with the Gulf Cooperation Committee (GCC), Australia, Iceland, Norway, and the South African Customs Union (SACU). In terms of overseas direct investment (ODI) volume, according to the United Nations Conference on Trade and Development (UNCTAD), China climbed up the world rankings to fifth-largest outbound direct investor in 2010.¹³ Today China is the largest exporter, second largest importer, and the largest foreign currency holder.

A More Open Society

Together with reform, opening-up is the other driving force that has characterized China's evolution throughout the past generation or so. This is a two-dimensional process, i.e., internal opening and external opening.

Internally, a market economy requires a freer flow of labor as a resource endowment. The freer flow of people has led to the relaxation of the *hukou* (household registration) system in China. Set up in 1958, the *hukou* system was meant to control the movement of people between urban and rural areas. Under the system, one's job opportunity, food supply for daily life, schooling of children, and the availability of housing were all related to his/her *hukou*. Without *hukou*, one could hardly obtain anything. Thus, under that system, people were tied to the *hukou* and the place they lived, and it was very difficult, if not totally impossible, for them to move to other places based on their own will. The system contains a rigid rural–urban division that excluded and discriminated against rural residents, namely, the majority of the Chinese population. Throughout the reform period, as China is becoming an increasingly dynamic country, the *hukou* system, though it still endures, has loosened.¹⁴ As a result, hundreds of millions of farmers have moved into the urban areas to become new workers. Clearly, more freedom is fundamentally reshaping many people's lives and has brewed creativity, vitality, and dynamism in the Chinese society. The loosening of the *hukou* system and its impact are just one example.¹⁵

¹² Yongtu (2011).

¹³ Qingfen and Siyu (2011).

¹⁴ Pumin (2011).

¹⁵ Fei-Ling Wang argues that a key reason why Chinese economic development—especially its export-led growth—has been so impressive is because of its *hukou* system, a powerful institution of organizing and managing people that is the most important and plentiful resource China has. See his “A Success Tough to Duplicate: The Chinese Hukou System,” *Fair Observer* 24 October, 2011, available at <http://fairobserver.com/articles/success-tough-duplicate-chinese-hukou-system>.

Even more impressive is China's opening to the outside world. An increasingly large number of Chinese nationals are going abroad for travel, work, study, or to visit their families. In 2009, the number of people who traveled abroad reached 47.66 million, a 4 % growth from the previous year. Tourist destination countries or regions increased to 139, among which 104 had been realized. In 2010, the total number of people coming in and out through Chinese immigration authorities reached 382 million person-times, which was a 9.8 % growth from the previous year. Equally, China receives an increasing number of foreign visitors. In 2010, 52.11 million person-time foreigners passed Chinese immigration, a 19.2 % growth from the previous year.¹⁶ According to the World Tourism Organization forecast, by 2015, both the numbers of Chinese tourists going abroad and external tourists coming into China will reach 100 million.¹⁷

As China is further opening up itself, foreign direct investment has continued to come in and has brought China into the global production system. As a result of the deepening of economic globalization, China is increasingly embedded in the global division of labor. In the past 30 years, China has utilized a total of US\$903.8 billion of overseas investment and approved the establishment of over 670,000 overseas-funded enterprises. Almost all of the world's top 500 companies have invested in China.¹⁸ In turn, since joining the WTO in 2001, China has on average imported commodities worth US\$687 billion each year and created about 14 million job opportunities for other countries and regions.¹⁹ According to Pascal Lamy, "China is now the world's second largest importer and imports have risen nearly six times to \$1.4 trillion since the WTO accession. The Chinese market has become one of the most important in the world for many exporting nations, including the United States and Brazil."²⁰

Multilateral Diplomacy

Once self-identified as the "centre of the world revolution", today's China is committed to the existing international order. It has joined most of the key international covenants, treaties, and organizations. As a party to over 300 international treaties and a member of more than 130 intergovernmental organizations or regimes, China has taken an active part in international cooperation from nuclear non-proliferation to mitigating global climate change. Seeing multilateral forums as an "important arena,"²¹ China's multilateral diplomacy displays itself in three main ways.

¹⁶ Xinhua News Agency 12 January, 2011.

¹⁷ Xinhua News Agency 12 October, 2009.

¹⁸ "China's Development and China-US Relations," address by H.E. Wu Bangguo, Chairman of the Standing Committee of the National People's Congress of the People's Republic of China, Washington, DC, 10 September 2009. See *China's Foreign Affairs 2010*, Beijing: World Affairs Press, 2010.

¹⁹ Ibid.

²⁰ Lamy (2011).

²¹ This is the term China's Ministry of Foreign Affairs uses.

First, China has proactively engaged in developing regional multilateral organizations or mechanisms. Amidst the Asian financial crisis, China, together with Japan and South Korea, joined hands with ASEAN and together they started the ASEAN plus Three process of East Asian cooperation, and since have formed a web of cooperation mechanisms in a range of functional areas and at various levels. Also, China and the ten-member ASEAN have formed a free trade area for mutually beneficial, freer flow of goods, people, capital, and mutual investment. As a result, China-ASEAN trade amounted to \$35.3 billion in 2000 and soared to nearly \$293 billion in 2010. The annual value of ASEAN-China trade is expected to reach \$500 billion by the end of 2015.²²

Having grown up within the ASEAN plus three grouping, China, Japan, and South Korea have organized themselves into trilateral cooperation. This has become institutionalized through annual summits held on a rotating basis. Recently, they have also set up a trilateral cooperation secretariat in Seoul, Korea.²³ Meanwhile, the “Shanghai Five” developed into the Shanghai Cooperation Organization, which includes China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan as member states, and has set up a secretariat in Beijing. China has played a prominent role in facilitating its development.²⁴ Furthermore, China was instrumental in the Six-Party process on Korean denuclearization and crisis prevention, and has been the chair of the Six-Party Talks since 2003. This has been an ad hoc regional security mechanism to manage a specific security issue that has significant regional implications.

Second, China has been involved in efforts to strengthen global institutions, especially the United Nations (UN). Beijing puts much emphasis on allowing the UN to perform well and maintain authority. Among the five permanent members of the Security Council, China has sent more peacekeeping troops than any other power to troubled spots throughout the world to help countries that are experiencing painful situations. In recent years, China has considerably increased its share of UN dues. Since 2000, the percentage of China’s UN due has kept growing from 0.995 % that year to 1.54 % in 2001, 2.053 % in 2004, 2.667 % in 2007, and 3.189 % in 2010, with each time’s growth rate exceeding 0.5 %, and thus grown over two times that of 2000. Yet China’s actual contribution is not limited to the growth of its contribution to the UN’s regular budget. Each year, the whole UN system needs a budget of \$12 billion, and peacekeeping operations are expensive. From 2009 to 2010, the peacekeeping budget was as high as \$7.75 billion. According to the burden sharing principle of international peacekeeping, China, as one of the permanent five of the UN Security Council, bears 3.2375 % of total peacekeeping costs, which is about \$250 million. In 2010, the four categories of China’s remittance to the UN added up to over \$300 million, and that of 2011 is estimated to reach \$400 million.²⁵ It is likely that China’s contribution to the UN will continue to grow.

²² Kwang (2011).

²³ For a detailed study, see Xiao (2009).

²⁴ See Hu (2005).

²⁵ *China Youth Daily*, 22 October, 2011.

Third, China has been positive towards other global dialogue or coordination mechanisms. For example, since 2003, China has participated in the G8 outreach dialogues with five major developing countries, i.e., Brazil, China, India, Mexico, and South Africa. Against the backdrop of the global financial crisis that broke out in 2008, the G20 summit came into existence and is seen as the “premium platform of global economic cooperation.”²⁶ The group includes all the major developing countries and within it they can work with the developed powers on a more equal footing, one of the main reasons China attaches much importance to it. As a founding member, a shaping force, and a core participant in this new mechanism for global economic governance, China sees this as an institutional recognition of its major power status as well as of its crucial role. Beijing also lays emphasis on the grouping of BRICS mechanism. It has also participated in larger, inter-regional forums such as the Asia-Europe Meeting (ASEM) and the Forum on East Asia-Latin America Cooperation, as well as the Forum on China-Africa Cooperation that it has orchestrated.

Based on the above facts, it can be argued that free market, free trade, a more open society, and multilateral diplomacy together reveal that, to a large extent, China meets the criteria for a proponent of the liberal world order. Undoubtedly, the emergence of a major power such as China has potentially great significance for global economics and politics. How does China view its own growth and role in the world? This has given rise to a lively debate in China.

From “Peaceful Rise” to “Peaceful Development”

As China continues to move into the center of the world stage, its peaceful rise/peaceful development theory, far from being in “demise” as some American analysts claim,²⁷ will prove to be a profound intellectual move forward, which, because of its philosophical foreign policy implications, is potentially significant for the future of China and the world. It has much to do with the current Chinese leadership’s policy thinking.

In December 2002, Mr. Zheng Bijian, Chairman of the newly founded research organization China Reform Forum (CRF), and former Executive Vice-President of the Central Party School, led a CRF delegation on a visit to the United States. During the trip, Zheng met and spoke extensively with leading American strategists, including former National Security Advisors Henry Kissinger, Zbigniew Brzezinski, Brent Scowcroft, and Samuel Berger, as well as the serving Assistant to the President for National Security Affairs Condoleezza Rice. The impression Zheng gained was that the American strategists had both positive and negative views of China’s rise, yet their worries outweighed their positive evaluation. Both the “China threat” and the “China collapse” thesis were fairly widespread at the time. Upon his

²⁶ *Leaders’ Statement: The Pittsburgh Summit*, 24–25 September 2009.

²⁷ Glaser and Medeiros (2007).

return, Zheng prepared and submitted a report to the top Chinese leadership in which he suggested that research into what he called a “new path of China’s peaceful rise” be quickly organised and conducted.²⁸

A month later, Hu Jintao, the new CCP General Secretary, offered his full support for the research project on China’s “peaceful rise” path. Soon the Central Party School was assigned to coordinate the research work and Zheng was asked to lead the efforts. The top leadership readily embraced the idea and encouraged the project. With this official endorsement, Zheng began to publicize the idea and to sell it to wider audiences at forums such as the Bo’ao Forum for Asia. Thereafter, the “peaceful rise” thesis quickly emerged as a conspicuous topic that attracted much attention at home and abroad. President Hu and Premier Wen Jiabao subsequently adopted the term “peaceful rise” and incorporated it into their most important speeches. It also quickly became a hot research topic in the social sciences in China.

The “peaceful rise” thesis became not only popular, but also controversial. The Ministry of Foreign Affairs (MOFA) was reluctant to use the word “rise” (*jue qi*), being concerned that use of that term might be inconsistent with the then-current guideline of keeping a low profile in the world. Quite a few retired ambassadors voiced their opposition to the use of “peaceful rise,” specifically reacting to the use of the word “rise.” These critics took full advantage of the latitude afforded by their positions to voice their opinions. Two main criticisms arose. The first consisted of objections to the concept itself. Advocates of this view argued that statements that China had already risen were premature, owing to China’s uneven and unbalanced development.²⁹ It was one matter for other countries to talk about China’s rise, but it was quite another for China to play up its own rise, they argued. Using a term like “peaceful development” would sound more modest and emphasize China’s desire to maintain a low profile in international politics. The second criticism was bureaucratic-procedural. To those in the MOFA system, foreign affairs were considered MOFA’s exclusive territory. A theory that had emerged from outside this system was not looked upon kindly.

Aware of these different opinions, the leadership chose the prudent path and opted to use more modest wording: “taking a path of peaceful development.” Meanwhile, the “peaceful rise” project proceeded in parallel. After the 2005 Bo’ao Forum in April, Zheng again submitted his report to the top leadership, adding his speech at Bo’ao as a supplement. Soon after, Hu offered supportive remarks, saying that “it was necessary to deepen the studies in ‘China’s peaceful rise’.” Despite the aforementioned differences, as late as early June 2005 Zheng had had the opportunity to talk with Hu and other top leaders. Hu and Premier Wen once again provided their support for the project, thus greatly encouraging Zheng. Later that month Zheng again led a delegation on a visit to the United States. The agenda included a meeting with then Secretary of State Rice, the third time they had met

²⁸ The report is dated December 30, 2002. See “*jianyi jiu ‘zhongguo heping jueqi fazhan daolu’ zhankai yanjiu*” (A Proposal for Conducting Studies in the “Development Path of China’s Peaceful Rise”) in Zheng Bijian, *Sikao de licheng* (The Passage of Thinking) Beijing: Zhonggong zhongyang dangxiao chubanshe (Central Party School Press, 2006).

²⁹ This author gained that impression during various conference discussions.

since 2002. The successful visit helped pave the way for President Hu's own visit to Washington in September of that year.

The peaceful rise/peaceful development discourse, and the debate over the emerging philosophy of Chinese domestic and foreign policies, culminated in the October 2007 17th Party Congress Report, in which one section was devoted to the need to "unswervingly take the path of peaceful development."³⁰ Although the thesis had been reiterated and elaborated previously, the inclusion of the formulation in a Party Congress Report was of particular importance. These reports are issued only once every 5 years and enjoy higher authority and respect than any other document in the country. The inclusion of the phrase "peaceful development" illustrates the consensus of China's leadership on the term. Though disagreements remain, they are more rhetorical than substantive. Why will the rise of the "peaceful rise" thesis prove to be a significant development in China? The crucial reason is it suggests a changing way of thinking regarding the path that China should take. Moreover, "peaceful rise" is not just a statement of intention; it also has the potential to become a new philosophy in China's domestic and foreign policy.

The change from "peaceful rise" to "peaceful development" occurred once the latter was more widely acceptable to all quarters in China and was thus less controversial. After all, China was increasingly becoming a pluralistic society in which very different views could emerge. The compromise indicated that that change actually was not the "demise" of "peaceful rise", but rather a rhetorical change to moderate its tone and soothe those critics.³¹ As it often happens, the change was the result of a compromise. What really mattered was the adoption of that thought as a new principle and it has become embedded into China's foreign policy doctrine through the expression of "taking a path of peaceful development." Theoretically, as a major conclusion that Barry Buzan has come up with, peaceful rise is possible.³²

However, it is unsurprising that all kinds of—often radically opposing—commentaries on China's rise have not receded. On the contrary, they are continuing to come out. The need to bring them together has led to a new China's Peaceful Development white paper. In 2005, when China's first white paper on peaceful development road was published, it ranked as the sixth largest economy in the world. At a surprising speed China quickly surpassed Japan and became the second largest in 2010. Making strides in its advance toward great power status in such a rapid pace inevitably arouses all kinds of further reactions, be they praise, admiration, uneasiness, skepticism, and fear, with all mixing up and thus creating a complex situation. The widely used "China threat" thesis (*zhongguo weixie lun*) could no longer grasp these nuances. The "China's responsibility" thesis was becoming more popular. Meanwhile, a picture of "China is assertive" was being painted, out of whatever motivation. While many countries wanted to jump on the bandwagon of China's rapid economic growth, they were often wary of China's rise

³⁰ Jintao (2007).

³¹ The critics include quite a few retired Chinese Ambassadors, who were pretty vocal at the time. The discussions at the highest level of Chinese leadership eventually decided the change of the wording.

³² Buzan (2010).

as well. Love-hate ambivalence was wide-spread. The status of China and its relations were questions which continued to occupy the mind many observers’.

In such a context, China felt it necessary and even compelling to respond to the questions raised both in and outside the country. To tell the rest of the world what kind of development path China is taking and will be taking in the future, and also to educate its own people, in September 2011 China published the white paper *China’s Peaceful Development*, the second of its kind, 6 years after the original one. The white paper argues against the logic that a rising power was bound to seek hegemony, and states that China has broken away from that traditional pattern. The paper highlights that the experiences of the past decades have proved that the strategy of peaceful development is the correct path and there is no reason to deviate from it. In particular, the “peaceful development” thesis has six components and is defined as follows:

In the first place, *scientific development*, which puts people first, promotes comprehensive, balanced and sustainable development. Second, *independent development*, which requires that China must act in keeping with its national conditions and carry out reform and innovation for economic and social development through its own efforts. It must not shift problems and difficulties onto other countries. Third, *open development*. China has learned from its development course that it cannot develop itself with its door closed. Taking reform and opening-up as a basic policy, China both carries out domestic reform and opens itself to the outside world, and both pursues independent development and takes part in economic globalization.

Fourth, *peaceful development*. The Chinese people have learned the value of peace and the pressing need of development. They see that only peace can allow them to live and work in prosperity and contentment and that only development can bring them decent living. Fifth, *cooperative development*. It seeks to establish and develop different cooperative relationships with other countries, and works with them to solve major problems that affect world economic development as well as human survival and progress. Finally, *common development*. Only when the common development of all countries is realized and more people share the fruit of development, can world peace and stability have a solid foundation and be effectively guaranteed, and development be sustainable in all countries.³³

The White Paper is the recent effort to answer the questions “what does China want?” and “what kind of world does China hope to see?” While it is basically a statement of benign intentions, the key is to convince others that China is sincere. Voices have been uttered within policy circles that to make others believe that China is indeed taking a path of peaceful development, China itself should genuinely believe the peaceful development doctrine first. Then this becomes a question about whether the peaceful development doctrine can effectively guide China’s concrete domestic and foreign policies. Herein lies the real challenge: if benign statements cannot convince the outside skeptics in the short run, China has to prove through its behavior that it honors its own words by actually taking the path of peaceful development. In this context, one important question arises: how does a rising China perceive its role and status in the world today?

³³ The State Council Information Office, *China’s Peaceful Development*, available at <http://www.scio.gov.cn/zfbps/ndhf/2011/index.htm>.

Debating China's Self-Identity

Inevitably, any pursuit of a peaceful development path is closely related to China's self-identification, namely, how China perceives what kind of power it is and what kind of role it should play in the world. After three decades of successful development during which great changes have taken place, what kind of power is China today? Recently, this self-identity question bothers and plagues Beijing, who continues to search for a satisfying identification. In November 2009, a nation-wide academic conference was held in Beijing with the participation of representatives from leading institutions, specifically aiming at exploring "the international repositioning of contemporary China."³⁴ Appeals were made to make greater efforts to define China's own international role more proactively with respect to both rhetoric and behavior.³⁵

As was discussed in the 2009 conference, a rising power may play a number of possible roles. The question of whether China is a challenger repeatedly came up. In reality, the Chinese leadership has often been reminded not to become a challenger to the current number one great power, nor to try to overthrow the existing international system,³⁶ which could be disastrous for the challenger. Is China a free rider? This depends on how "free rider" is defined. If China ever was a "free rider," the question is when. After the 1989 political turmoil in Beijing, Western countries imposed various sanctions upon China. Soon after, China encountered new and enormous difficulties during WTO entry negotiations, as Western countries further raised the bar. Thus, 1980s, the period before, was the only possible period for China to "free ride" on the West. No matter whether that is true, in any case, China is no longer a free rider today in whatever sense of the term. Less controversial are China's participation in most of the international institutions or regional cooperative arrangements, and China's role as a builder of the international order in various areas by playing a part in UN-sponsored operations (e.g., peacekeeping, anti-piracy, or nuclear non-proliferation), trading regimes, and regional trade or security groupings.

Undoubtedly, China is in transition. It is undergoing a rapid transformation from a relatively backward to a more modernized country, and from a lower level living standard to an overall well-off society. Though having become the world's second largest economy, China is not yet an affluent society, with a number of contradictions or problems to be overcome. Given the constant changes in the country, those boundaries that are distinguishing developing and developed status are becoming increasingly blurred.

This massive transition, profound and complex in nature, has given rise to China's multiple identifications. Earlier on, China might have been seen as part of the Third World, and later a regional power with global implications in terms of its influence. More recently, a number of adjectives have been added to China to describe the country: developing, socialist (though its meaning is becoming more difficult to detect), emerging, and rising. Quarters of China still have a victim complex reminiscent of the "century of humiliation" it experienced, which has led

³⁴ Leizhao (2009).

³⁵ Zugui (2010).

³⁶ For example, Yinhong (2000).

to, sometimes overly, sensitive reactions to external criticisms. But the reality is that today's China is no longer a "sick man of East Asia", but rather a very different country standing on a new starting point. Its decisions or options may have a considerable impact upon the rest of the world. Against this backdrop, it is widely believed that China needs to better define its desirable role in the world, and thus far different answers have been given in China.

Answer number 1 China is an emerging, major developing power. This argument goes that, on the one hand, China's economic magnitude and the significant growth of its power status have been recognized by the international community; on the other, China's level of development has not yet reached that of a medium developed country. China's per capita GDP was just about \$3,000 dollars in 2008, still far below the world's average of \$7,119.³⁷ According to the World Bank's criterion, per capita consumption is <\$1.25 per day, there are still 250 million living in poverty in China, as high as number two in terms of absolute number. China still has a long way to go to modernize its society.³⁸ Others say that current conditions do not allow people to underestimate the difficulties and hardship throughout the process leading up to developed nation status.³⁹ It can only be reasonable and practical to identify China's responsibility in the world in accordance with its developing country status.⁴⁰

Answer number 2 China stands on a new threshold. With China's comprehensive national power rapidly growing, it is manifesting some features that distinguish it from normal developing countries. China's self-identification as a developing country can no longer be widely acknowledged in the international community.⁴¹ The growth of China's national power has already reached a critical point (*lin jie dian*). Since the 2008 outbreak of the global financial crisis, there has been a further elevation of both its hard and soft power, as China has been playing the role of economic powerhouse to help draw the world economy out of trouble.⁴² China has become the largest emerging market in the developing world, a new driving force of the global economy, and is changing from a regional power to a great power with global influence, awareness, and responsibility.⁴³

Answer number 3 China should act as a harmonious force in the world, based on the central tenets of traditional Chinese thought and its long-time persistence in international interactions. There are two messages this repositioning may convey others, and the outside world can also expect of China. For one thing, harmony is what the world desires, and China is willing to contribute its wisdom and power for the building or shaping of a new global system; for another, a harmonious force

³⁷ According to China's National Statistic Bureau, in 2010, China's GDP was close to 40 trillion, per capita GDP over \$4,000.

³⁸ Chuang (2009). According to Le Yucheng, the number of people who are living below the poverty line is 150 million, taking the UN's standard of one US dollar a day. See his "Different kind of exceptionalism," *China Daily Asia Weekly*, July 1–7, 2011, p. 15.

³⁹ Yongsheng (2006).

⁴⁰ Kang (2010).

⁴¹ Kejin (2009).

⁴² Renwei (2010).

⁴³ Yizhou (2009).

rejects the traditional logic of power struggle, turns to cooperation instead of confrontation, and cherishes equality instead of pure power logic. This ought to be China's international value pursuit.⁴⁴

There is still *a fourth answer*, which advocates that China should act as a “free-rider,” defined very differently from its usual usage, meaning to free ride on the world's fundamental trends. This by and large embodies multi-dimensional progresses while being deeply and extensively engaged in the globalization process.⁴⁵ In fact, this is not a true free-riding argument but rather more a plea for being an active and autonomous participant in global politics, economics, and development.

Throughout the debate, what is prominent in the Chinese discourse is its continuing self-identification as a developing country. This is an interesting phenomenon, and there are reasons for this key self-identification. First, many people recognize that, in terms of development level, China's per capita income is still low. Second, in China there is an inertia to see itself as part of the developing world. Yet there exists an inherent contradiction. Since China's strategic goal has been set to become a medium developed country by the mid-century, it means to deviate from the developing country status. To date, no direct answer has been given for this question. Third, there is a political consideration or need to align China with the developing countries and win their support. This thinking is reflected in the expression “developing countries are the foundation,” which is one of the principles guiding China's foreign relations. Some proponents along this line have even gone as radical as saying “China is forever a developing country.”

Finally, there is a practical advantage of being treated as a developing country, e.g., in the WTO. The Doha Round of trade negotiations have been going on for 10 years, and its fate is relevant for the future of the world's multilateral trading system. The negotiations are important for China as this is the first time it is participating in the making of world trading rules. For Sun Zhenyu, China's first ambassador to the WTO, the Doha Round is stalled largely because of US domestic politics. Washington has set up the satisfaction of US demands for market access as the conditions for completing the Doha Round of negotiations, and this has inevitably been opposed and resisted by the emerging economies and developing countries. China should stand with the developing countries, bring to attention in the negotiations the appeals of the vast developing members, and strive for negotiation outcomes truly favorable for their development.⁴⁶

When looking at the same country, putting emphasis on either the aggregate or average national power leads to different interpretations: either that China enjoys high world status in aggregate terms or that it needs to keep a low profile in per capita terms. In fact, both ways coexist and they are the two faces of China. This will likely continue into the future. It is a fairly widely held view in China that the country maintains a number of characteristics of a developing country, and hence for some time it cannot completely break away from that characterization. However,

⁴⁴ Yugang (2009).

⁴⁵ Yongsheng (2006).

⁴⁶ Zhenyu (2011).

the boundaries are gradually blurred as China is continuing to change and rise. Among these multiple identities, it is likely Beijing will cautiously reposition and gradually adjust itself in terms of its global role. After all, China is both adapting and shaping the new global reality.

Peaceful Rise Versus Military Modernization?

Does China's peaceful rise/development discourse matter? We know that rhetoric can be shallow and thus not that meaningful. However, it can also point to the direction for or create real constraints to policy-making. If something is emphasized over and over again, it is possible that people become bound to it by expectations. Westerners tend to doubt rhetoric, but it can also be an important phase of policy construction. Still, people may come up with questions. In spite of the peaceful rise discourse, China's military modernization continues. Are the two developments contradictory? This question is worth careful consideration and examination.

Basically, peaceful rise has two key connotations, namely, rise through peaceful means and rise for peaceful purposes. In other words, rise occurs not through excising violence or waging a war, but rather by aiming at waging peace. Thus, peaceful rise by definition does not preclude defense modernization, while military modernization does not disprove peaceful rise either, but logically is an inherent component of a "rise." Without defense modernization, "rise" probably would not be genuine. The October 2009 parade in Beijing on the occasion of the 60th anniversary of the PRC could be seen as a review of the progress regarding defense modernization. As usual, there are different interpretations of China's military change, including both capability and intention. It would not be surprising if outsiders retained uneasiness or concern. However, observers should know that as China rises to a great power status, its becoming a militarily more powerful state is simply a matter of time. Normally, one power's military prowess will grow to a level equivalent to its economic and technological advancement. In the case of China, there are two particular motives that are driving China's military modernization, namely, the existence of the Taiwan issue and the spread of China's overseas interests.

When Mr. Ma Ying-jeou won the Taiwan election in March 2008, people felt somewhat relieved the cross-Taiwan Strait relationship was brought back on track. With the resumption of talks and the full realization of the three links, namely, direct travel, business, and post between the two, cross-Strait tensions have decreased. However, Chinese analysts widely believe that the basic political configuration of "blue camp vs. green camp" in Taiwan basically remains unchanged. The blue camp's performance in the 2009 local elections disappointed the mainland's observers and policy-makers, and alerted them not to overestimate the achievements thus far, which seem limited and are not irreversible. Thus, the People's Liberation Army (PLA) has to remain well-prepared for a worst-case scenario and be ready to win a conflict should the Taiwan independence group move

in a “dangerous” direction. Only when the PLA has the will and capability to do so, can a war be eventually avoided. In order to make deterrence work, one has to convince others that his will and capability are real: one is not a paper tiger and does have the teeth.

The second major demand comes from the rapid spread of China’s overseas interests, which have already become so ubiquitous and wide-ranged. This spread has followed a three-phased “going-out” process. First was the obvious “going-out” of Chinese visitors and tourists. Not long after, the “going-out” of Chinese enterprises followed suit to engage in trade, construction and so forth. Of more fundamental significance is the “going-out” of Chinese capital, a strategy of investment which has experienced some setbacks but that will nonetheless certainly continue. In fact, the presence of China and its interests can be increasingly felt all over the world, including African, Latin American, and South Pacific countries, let alone China’s immediate neighboring regions. The recent start of construction of a pipeline connecting the Myanmar port, Kyaukphyu, and China’s Southwest is but one example. These developments have added to the burden on China’s security, because stable provision and shipment of oil and gas have to be assured, and the safety of sea lanes has to be protected.

In that regard, China is unfortunate as it borders as many as 14 countries, more than any other nation in the world. In addition, several other countries across the seas can be added to this already long list. The vast landmass, complex borders, and long coastlines require China to maintain considerable armed forces. In fact, there are many other tasks because of the multi-purpose nature of the PLA. Similarly to the military forces of other countries, the PLA has been engaged in operations such as natural disaster relief, international peace-keeping, anti-piracy naval cruises, and other tasks. When earthquakes devastated parts of Sichuan Province in 2008, disaster relief operations would not have been successful without the PLA’s large-scale involvement.

Looking around the world, every nation is taking steps to modernize its military. China is no exception. To some extent, understandably, this upsets some foreign observers. For an accurate grasp of the nature of China’s military, three fundamental facts can be discerned and should be borne in mind. First, in terms of Chinese civil-military relations, there has been an institutionalized and solidified civilian control of the military. The “gun” is firmly put under the control of civilian leaders whose thinking matters more for the role of PLA, not the other way around. There is no reason why this situation should not continue into the future.

The second fact is that peace as a value is very much established now and is actively pursued, as embodied in the principle of “independent foreign policy in favor of peace.” After quite a few rounds of debates in the 1980s and 1990s, the Chinese leadership and policy community have come very close to the conclusion that the current era *is* an era of peace and development. This is a fundamental judgment of crucial importance for the formulation of China’s domestic and international policies. This judgment has experienced challenges over time, especially when major events occurred and shocked the population. Prominent

ones include the difficulties China encountered throughout the GATT/WTO membership negotiations, the 1999 NATO bombing of the Chinese embassy in Belgrade, and the mid-air collision between America and Chinese aircraft off the Hainan Island in 2001, to name just a few. However, this judgment has survived these and other turbulences and still upholds today. Experience has exactly told China that lasting economic development can only be achieved in a stable and peaceful environment. Therefore, China has every reason not to disrupt but to strive for such an external environment.

Third, an analysis of intentions is much more important than identifying China's military capabilities. The flawed argument that history repeats itself and major powers inevitably fight each other is fatalistic and does not hold. Taking into account the circumstances of the early twenty-first century, out of its own national interests, there is no reason for an emerging power to take the path of military expansion. Clearly, there is little desire in China to challenge US power and global status. As Joshua S. Goldstein points out, "a military conflict (particularly with its biggest customer and debtor) would impede China's global trading posture and endanger its prosperity. Since Chairman Mao's death, China has been hands down the most peaceful great power of its time. For all the recent concern about a newly assertive Chinese navy in disputed international waters, China's military hasn't fired a single shot in battle in 25 years."⁴⁷ Moreover, China's history of being bullied endows itself a habit of sympathetically understanding other people's wishes and feelings. Nonetheless, Beijing has every reason to defend its own interests and to request others to respect those, particularly the core, interests.

More recently, China has been called upon to share responsibility in global affairs and to help provide for public goods, from which it should not and cannot escape. Chinese armed forces will become involved in more military operations beyond war, in this context, such as the recent operation in the Gulf of Aden off Somalia. "The PLA's going out to fight piracy and terrorism is to a large extent safeguarding international security, and is an embodiment of shouldering international responsibility."⁴⁸ Several years ago, when an earthquake-induced tsunami had struck and devastated the Indian Ocean rim countries, China engaged in disaster relief operations while at the same time being painfully aware of the deficiency of its capability to rapidly project substantial military personnel and deliver supplies, as the US was able to do in just a few days. A more successful role from the PLA could be seen in 2008, during the disaster relief operations after the earthquake in Sichuan Province. Overall, the PLA will play a larger and legitimate part in global military-related affairs. That is a justifiable role, which by no means implies an expansionist and threatening one. Otherwise, it would lead to an undesirable situation in opposition to China's own interests, a situation its peaceful development doctrine inhibits. China's overall defensive posture and a growing larger role in world affairs are the key to an accurate understanding of the path it is taking, both at present and in the future.

⁴⁷ Goldstein (2011).

⁴⁸ Yawen (2007).

Conclusion

Looking at China's international behavior, it can be discerned that Beijing has conducted a lot of power balancing actions or policies, especially regarding the constraining of US' moves to wage war against Iraq in 2002–2003 or to impose sanctions upon Myanmar in 2007 and Syria in 2011. In that sense, it can be argued that China has adopted realist, balance of power policies and is thus a realist power. However, China has actively sought to join the WTO and is an adamant supporter of the global free trade regime. Within the multilateral trade regime, China has experienced a process from learning the rules of the game and familiarizing itself to them to applying the rules and participating in rule-making. It is becoming a mature member in the multilateral trade system. In East Asia, China has become deeply involved in the regional webs of free trade arrangements. Trying to be prudent, it is careful not to seek the "maximization of interest" but instead to care about others and try to share economic development and prosperity with other Asian countries. It is even prepared to giving more and retrieving less (*duo yu shao qu*) with respect to relations with neighboring countries. Giving more is aimed at winning the hearts and minds of its neighbors, not to increase material power. These actions defy John Mearsheimer's offensive realist arguments.⁴⁹ Based on China's choice of free market, free trade, opening up society, and multilateral diplomacy policies, I tend to argue that the rise of China is to a large extent the rise of a liberal China.

The famous fable of four blind men touching the elephant tells that each of the four men was able to reach part of the big animal, and they came up with different descriptions. The man who reached the nose said the elephant was like a tube. The second who reached the ear said the elephant was like a fan. The third said it was like a wall, whereas the last a trunk. Each was partly correct at best. China's foreign policy exhibits a mixture of realist and liberal elements or approaches. After all, in practice, definitions of foreign policy and strategy are never as clear-cut. No single paradigm can adequately explain the behaviors of a complex great power like China. This tells us that very often what a researcher describes can be partial truth if not a distorted one. The different elements can be discerned in the debates regarding China's possible peaceful rise and on its self-identifications. China is in profound transition. So are clashing ideas and thoughts. All are relevant to inform a new research agenda.

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⁴⁹ Mearsheimer (2001).

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