

As China Rises, Must Others Bow?



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At the close of the twentieth century, my answer to this question was a resounding 'no'. As then-President Clinton visited China, the focus was on economic growth rather than military influence, and the view was the United States could maintain its influence in Asia as China rose. Times change, but it is essential to reflect on different periods in China's development as well as the positions taken on China at the various phases of its development.

Ever since Thucydides's explanation of the Peloponnesian war, historians have known that the rise of a new power has been attended by uncertainty and anxieties. Often, though not always, violent conflict has followed. The rise in the economic and military power of China, the world's most populous country, will be a central question for Asia and for American foreign policy at the beginning of a new century. Explaining why democratic Athens decided to break a treaty that led to war, Thucydides pointed to the power of expectations of inevitable conflict. "The general belief was that whatever happened, war with the Peloponnesians was bound to come," he wrote. Belief in the inevitability of conflict with China could have similar self-fulfilling effects.

Thucydides attributed the real cause of war to the rise in the power of Athens and the fear that created in Sparta. One does not have to linger long in Washington these days to encounter anxiety about China. President Clinton's visit to Beijing has been broadly criticized. Three times in two weeks recently, the House of Representatives rebuked the administration over China by large majorities. To some extent, those votes reflected partisan wrangling in an election year. Republicans have made campaign issues out of the sloppiness of Democratic Party fund-raising and questions

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of technology transfer involved in allowing China to launch American commercial satellites. (Whatever the wisdom of allowing such launches, the policy originated in Republican administrations.)

The domestic politics of China policy, however, are more complicated than these particular issues. Many Democrats also voted to condemn the president's visit. The split over China policy is not between liberals and conservatives. As the speaker of the House of Representatives, Newt Gingrich, has said, "Some of my friends are in the opponent business and want a new enemy." In addition, America's religious right objects to religious persecution and forced abortion; liberals object to human rights violations and worker exploitation. Both the liberal *New Republic* and the conservative *Weekly Standard* call China "totalitarian," though today's market communism is a far cry from the real totalitarianism of Chairman Mao. The domestic politics of China policy, however, is a strange alliance of left and right against the center. The central lines of policy have been in place since the Nixon administration. The policy was broadly accepted during the Cold War, but criticized after the 1989 Tiananmen Square killings.

Ironically, Bill Clinton attacked George Bush's China policy (from the left) in the 1992 campaign, but soon switched to the center once he was in office. Now Mr Clinton has inherited the criticism and finds support for his trip from none other than Mr Bush. In a recent speech, Mr Clinton defended his trip: "Some Americans believe we should try to isolate and contain China because of its undemocratic system and human rights violation, and in order to retard its capacity to become America's next great enemy... Choosing isolation over engagement would not make the world safer. It would make it more dangerous." Critics to the contrary, Mr Clinton's rationale stressed long-term strategy, not short-run commercial considerations.

What are the facts about China's power? The "rise of China" is, of course, a misnomer. "Re-emergence" would be more accurate. By its size and history, China has long been a major power in the Asia-Pacific region. Technologically and economically, China was the world's leader (though without global reach) from 500 to 1500. Only in the past half-millennium was it overtaken by Europe and America. China's experience was partly the result of internal problems, but it also reflected broader global changes that affected the world as a whole. Japan was the Asian leader in adapting to these global economic forces, and its early success compounded China's losses between 1895 and 1945.

Before 1979, China was not yet part of the East Asian transformation. In 1978, China was poorer per head than Korea or Taiwan in 1960. Since then, China's history has been dominated by economics, with growth rates of 8-9% per year that have led to a tripling of its GNP in less than two decades. At a more sustainable rate of growth of 6% per head, China would reach \$10,000-per-person income in 30 years, and its economy would then total about \$16 trillion, or twice the size of the current American economy. The Asian Development Bank projects Chinese income per head to reach the equivalent of about 38% of the United States' in 2025, about the same relative level that South Korea reached in 1990.

Look Both Ways

Linear projections are suspect, and China faces short-term problems with its state-owned enterprises, its shaky banking system, and the value of its currency. Over the long term, the Asian Development Bank posits two scenarios (assuming no major political disruptions). The optimistic scenario foresees growth of 7–8% per head over the next decade, falling toward 5–6% in the 2020s as dependency rates rise and savings fall. Under the pessimistic scenario, China would fail to make essential reforms and bottlenecks and growing income equality would slow growth to 4–5% per head. Even at the higher growth rates, China would lag behind the OECD countries in terms of income per person.

Is China's growing economic strength a base for equivalent military power? The answer is contentious, since China does not divulge all its defense-related expenditure. The official military budget does not account for the 600,000 People's Armed Police, nuclear weapons procurement, some defense-related R&D, or soldiers' pensions. In a recent book, "The Coming Conflict with China," Richard Bernstein, and Ross Munro argue that the official Chinese military budget for 1996 was 69.8 billion yuan or about \$8.7 billion. The most conservative western analysts would multiply that figure by three, to reach a \$26.1 billion amount. That is already close to half the Japanese defense budget, which is roughly \$50 billion. Our multiple of ten would put China's actual defense spending at around \$87 billion per year, which would make it nearly one-third the amount of American spending. Moreover, the 1996 figure was 11.3% higher than 1995.

Other analysts are less alarmist than Messrs Bernstein and Munro. The East–West Centre in Hawaii argues that China's military modernization is still far from meeting its defense needs. Military expenditures have been very low, especially when considered against the size of the country and military... China's low military spending reflects a clear-cut policy choice—that military modernization is subordinated to and supportive of national economic reconstruction.

Military spending dropped steadily in the 1980s. In the 1990s, it began to increase moderately, partly in response to the events of Tiananmen Square in 1989 and partly due to the lessons of the Gulf war two years later. Much of China's increased spending was applied to salaries and infrastructure, not to weapons systems.

American government figures show that, adjusted for inflation, China's military spending declined slightly between 1984 and 1994. Much of China's equipment is obsolete; command, control, and communications capabilities are weak; combined-forces exercises are limited, and power-projection capabilities are very limited. In the Taiwan Straits imbroglio of 1996, most expert observers believed that Taiwan could have repelled a cross-straits invasion even without the United States' navy becoming involved.

Chinese capability to fight a serious engagement in the South China Sea is also doubtful. A leaked American navy report concluded that the Chinese air force and naval air force are "obsolescent and incapable of mounting any effective large-scale and sustained air operations."

Chinese military leaders are well aware of these deficiencies and want to correct them. The Gulf war showed them how far China lagged behind modern military capabilities, and the Taiwan events of 1996 reinforced their concern to improve their offshore capability. Because of the economic distress of the former Soviet states, and joint Russian and Chinese concerns about American global dominance, China has been able to import impressive ex-Soviet equipment at reasonable prices. The key question, however, is how quickly new imports and investments will remedy the current defects of Chinese military forces.

The Systems Question

Those who wish to paint an alarming picture concentrate on the new equipment and its capabilities. Those who wish to paint a less alarming picture point out that success in battle requires the integration of new equipment with existing capabilities and doctrines, many of which remain deficient. For instance, having first-class long-distance fighters or even an aircraft carrier does not ensure dominance of the South China Sea unless logistics and command and control are adequate to the task. It is not enough just to have a few pieces of the puzzle.

David Shambaugh, an analyst of the Chinese armed forces, argues that “The recent hype in the media and by those in the American political system about the so-called Chinese threat is grossly overblown, not empirically grounded, irresponsible and politically dangerous.”

Whatever the accuracy of such assessments of China’s military programs, the key question is net assessment, and that depends on what the United States (and other countries) will be doing over the next decades. The United States will not be standing still. Military power in the information age will depend on the ability to collect, process, act upon and disseminate information so as to achieve dominant battle-space awareness. This will depend on such technologies as space-based surveillance, direct broadcasting, high-speed computers, and, above all, the ability to integrate complex information systems. Other countries will develop some of these technologies, but the key capacity will be the ability to integrate a system of systems.

Again, having a piece of the puzzle is not sufficient. The position of the American economy as the leader in information technologies combined with the investments in the American defense budget make it very unlikely that the United States will lose this lead. According to an Australian expert, Paul Dibb, the revolution in military affairs will continue to favor heavily American military predominance. It is not likely that China will, in any meaningful way, close the gap with America.

Chinese military strength is likely to grow over the next decades. Even if that does not make China a global or even regional power equivalent to the United States, it does mean that China is likely to look more awesome to its regional neighbors, and its enhanced capabilities will mean that any American military tasks will require greater forces and resources than is the case at present. In other words, the rise of Chinese military power, similar to the rise of its economic power, must be taken

seriously as a new factor in the region; but, China will not be a global challenger to the United States, nor will it be able to exercise regional hegemony so long as the United States stays involved in East Asia.

Common Interests

The Clinton administration has described its policy toward China as “constructive engagement,” but the debate between “containment” and “engagement” is too simple. Engagement does not prescribe how to handle hard issues such as Taiwan, trade or human rights. It did not preclude the Clinton administration from sending two carriers to patrol off Taiwan in 1996 or from insisting on proper conditions for Chinese entry into the World Trade Organization.

Despite the descriptive inadequacy of the slogans, “engagement” signifies that the United States has rejected the inevitability of conflict. President Clinton told President Jiang Zemin in 1995 that a “stable, open, and prosperous China—in other words, a strong China—is in our interest. We welcome China to the great-power table. But, great powers also have great responsibilities.” The United States has also reaffirmed its commitment to a “one-China” policy, thus ruling out any flirtation with the idea of independence for Taiwan, the single most dangerous scenario for potential conflict between the United States and China. The United States remains committed by law and policy to ensuring that Taiwan cannot be taken over by force, but not to defending its independence should the island declare it unilaterally.

Notwithstanding differences on trade, human rights and some of the details of non-proliferation policy that are likely to arise at the summit, the United States also sees common interests with China. As Mr Clinton pointed out last week, both countries have an interest in stability that allows the economic prosperity of the region to grow, and China has acted responsibly in the recent financial crisis. Neither country wants a conflict on the Korean peninsula or in Asia following the Indian and Pakistani tests. Chinese behavior on proliferation has improved considerably over the past decade. Moreover, a weak or chaotic China that could not feed its people, stem flows of refugees, deal with smuggling or manage its environmental problems is not in America’s interest.

In February 1995, the Defense Department issued a report, “United States Strategy for the East Asia–Pacific Region,” that outlined a four-part strategy:

- maintain the forward presence of about 100,000 American troops in the region;
- put America’s alliances, particularly with Japan, on a firm basis;
- try to develop multilateral institutions such as the ASEAN Regional Forum while recognizing they are still weak;
- from that position of strength, encourage China to define its interests in ways that could be compatible with America’s and its neighbors’.

The American alliance with Japan, where the largest number of troops are stationed, is critical to American strategy. Over the past three years, the security

relationship has been greatly strengthened, and recent polls show that two-thirds of the Japanese people support it. In April 1996, the Japanese prime minister, Ryutaro Hashimoto, and Mr Clinton publicly affirmed the work of a joint group that redefined the United States-Japan Security Treaty as the basis for stability in the region after the Cold War, and in 1997, the two countries agreed on guidelines for defense co-operation. That reaffirmation may turn out to be one of the most important policy developments for the region. It means that China cannot play a Japan card against the United States or try to expel the Americans from the region. From that position of strength, America can work to engage China as a responsible regional power.

The Case for Friendship

How China will behave as its power grows is an open question. Unconstrained, it might someday wish to expel the United States from the region and exercise hegemony over its neighbors. But, in the real world of constraints, states learn to define their interests in practical ways. The United States will remain the largest power in the world well into the next century. The American presence in East Asia provides a stability, which, in the absence of other institutions, has benefits for all countries in the region. So long as the Americans exercise their power in a reasonable way so that other countries (including China) continue to benefit from the stabilizing effects, and so long as the United States invests wisely to maintain its power resources, it is unlikely that any country or coalition will be in the position of a strong challenger.

If the United States treats China as an enemy now, it will guarantee an enemy in the future. If China becomes aggressive in the future, the current policy is reversible. In that sense, only China can produce the conditions for its containment. If the United States engages China, there is no guarantee of friendship, but at least, there will be a reasonable prospect. To discard the chances of a more benign future through a misguided belief in the inevitability of conflict would be a tragic mistake. Such a larger strategic vision, representing the bipartisan tradition on China policy, should outweigh the domestic politics that currently cloud President Clinton's trip.

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