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A special report on China's place in the world

## Less biding and hiding

China is becoming more nationalistic and more assertive. How will other countries react?

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"WHO is your enemy?" It was a fine Beijing day in early summer this year. In the seminar room on the campus of Peking University one of a delegation of visiting American academics posed the question to Wang Jisi, dean of the School of International Studies. There was a moment's silence. Mr Wang hesitated before looking up and replying: "Most Chinese would say the US is the enemy."

And yet, as Robert Ross sets out in his book, "Chinese Security Policy", America and China have had a remarkably productive partnership since President Richard Nixon and Henry Kissinger turned up in Beijing in 1972. At first this was based on a shared antagonism towards the Soviet Union, which China had fought in border clashes in 1969. Under Mao, China had often bullied its neighbours, but had now subordinated this part of its foreign policy because co-operation with America was more important. Under Deng Xiaoping, Mao's eventual successor, China even reluctantly accepted America's continuing arms sales to Taiwan.

When the Soviet threat evaporated, China continued to put foreign policy second—this time for the sake of economic development. Again, that required co-operation with America, the best source of demand, technology and investment. Deng summed up the policy in a famous slogan: "Coolly observe, calmly deal with things, hold your position, hide your capacities, bide your time, accomplish things where possible." When the world began to worry about China's surging power, a senior official tried to calm fears, pledging a *heping jueqi* (peaceful rise). Even that had to be watered down, as the *jue* in "rise" suggests "towering as a peak". These days Hu Jintao, China's leader, prefers the deliberately bland "harmonious world".

Over the years China's leaders have worked hard to steer relations with America through their inevitable crises. By and large, they have succeeded. Now China's behaviour—most recently towards Japan, South Korea and the South China Sea—has begun to alarm China-watchers. Yet why would the country's leaders suddenly risk undermining a policy that has brought China such prosperity?

There are two possible reasons. One is that China's strategy has begun to change. Some Chinese argue that, now their country is strong, it no longer needs to kowtow to American power. The other is that Chinese society itself has begun to change. In what Richard Rigby, of the Australian National University in Canberra, calls "a fragmented authoritarian one-party state", the leaders need to listen more closely to what other people think.



## **If we can, we will**

Start with China's changing strategy. China has a keen sense of its growing national power and American decline, sharpened by the financial crisis, which uncovered flaws in America and Europe and found China to be stronger than many had expected. "There is a perception in China that the West needs China more than China needs the West," says one diplomat in Beijing. America's difficult wars have added to the impression. According to Raffaello Pantucci, a visiting scholar at the Shanghai Academy of Social Sciences, Chinese analysts "gleefully" conclude that NATO forces will lose in Afghanistan.

"We used to hide our power—deny our power," a Chinese scholar told David Lampton of the School of Advanced International Studies in Washington. "But then this became increasingly impossible as our strength increased." For a time this led to redoubled efforts to reassure America and the region. But today, according to Yuan Peng, of the China Institutes of Contemporary International Relations in Beijing, "many Chinese scholars suggest that the government give up the illusion of US partnership and face squarely the profound and inevitable strategic competition."

China's desire to assert itself springs from a natural appetite. A rising country is like a diner sitting down to a full table: until he starts eating, he does not realise how hungry he is. "Power changes nations," writes Robert Kagan, an American foreign-policy commentator. "It expands their wants and desires, increases their sense of entitlement, their need for deference and respect. It also makes them more ambitious. It lessens their tolerance to obstacles, their willingness to take no for an answer."

China has been good at suppressing that appetite, but it also has growing reasons to project power. Chinese companies are scouring the globe for the raw materials they need. Already China is Saudi Arabia's biggest customer. It imports about half of the oil it burns, a share that will rise to two-thirds by 2015 and four-fifths by 2030. China cares what happens in the countries that supply it.

An irony not lost on Kurt Campbell, America's assistant secretary of state, is that China's strategy of acquiring natural resources has so far been based on what he calls "an operating system" provided by the United States—which guarantees stability and the free flow of maritime traffic. One reason why China is now building an ocean-going navy is to protect its raw materials and goods from embargoes.

This reflects a lack of faith in the global trading system, part of an underlying fear that the West is fundamentally hostile to China's prosperity—"Westernising, dividing and weakening", as the slogan goes. Jonathan Paris, a London-based security specialist, says young Chinese are disenchanted by what they see as Western China-bashing. Some influential groups think that foreign calls for China to be a "responsible stakeholder" are in fact designed to keep the country down, and that it should co-operate only if the West makes concessions on issues such as Taiwan and Tibet.

The question is whether China's leaders agree that now is the time to assert the country's power. The apex of Chinese politics is so closed to the world that analysts cannot be sure. In 2009 Mr Hu said China could "actively" make modest contributions to international issues. On their annual summer retreat, at the resort of Beidaihe, the country's leaders reportedly debated whether China should edge away from Deng's "bide and hide" slogan. Some influential party journals that may reflect the leaders' thinking have concluded, "not yet". However, even that position strikes some diplomats as a shift. In the 1990s the argument was about whether China could work with America in the long run. Now it is about when to apply pressure.

Whatever the leaders think, they are operating in a society that is changing rapidly. These days they are more influenced by a new set of foreign-policy interests, including resource companies, financial institutions, local government, research organisations, the press and online activists. Linda Jakobson and Dean Knox of the Stockholm International Peace Research Institute (SIPRI), who have studied these groups, say many of them feel strongly that China should be "less

submissive" towards the outside world.

Such people's assertiveness partly reflects the patriotism that the government encouraged in order to prop up its legitimacy after it brutally put down the protests in Tiananmen Square in 1989. First came a weekly flag-raising ceremony with a rousing address in every school. Next, museums and relics were designated "patriotic education bases". In 1991 Jiang Zemin, then general secretary, wrote that patriotic education "let the Chinese people, especially the youth, enhance their pride and self-confidence in the nation and prevent the rise of the worship of the West".



### The rise of nationalism

The first generation to get that treatment is now nearing its 30s, and its nationalism shows every sign of being genuine and widespread. "On Tibet and Taiwan it's not just Chinese ministers who bang tables," says Lord Patten, who negotiated the handover of Hong Kong from Britain to China, "but Chinese dissidents, too." "This is a people with a sense of their past greatness, recent humiliation, present achievement and future supremacy," says Mr White, the former Australian security and defence official. "It's a potent mix."

China's more commercial media have found that nationalism sells. According to Susan Shirk, an American academic and former deputy assistant secretary of state, readers like stories complaining about Japan, Taiwan and America—and the censors are usually happy to see coverage of such things. SIPRI found that the most influential journalism on foreign policy appears in the *Global Times*, which is written by hardline nationalists.

The country's excitable "netizens" tend to spread the idea that China is misunderstood and to see a slight round every corner. In 2008, during a Chinese row with Vietnam over the South China Sea, another suggested teaching the Vietnamese a lesson—and published an invasion plan to show how. This feeds China's sense of victimhood. One blogger and journalist, called Fang Kechang, worked out that since 1948 the Chinese people had officially been "humiliated" at least 140 times—and that the insults were more common in the reform era than in Mao's time.

What passes for public opinion in China is not the only source of pressure on the leaders. The factions within China's elite "selectorate", no passive monolith, have also been finding their voice. And that, too, tends to nudge policy towards nationalism. Foreign affairs used to be the business of the pro-detente foreign ministry. It was mocked as the "ministry for selling out the country" and, supposedly, was sent calcium pills by members of the public who wanted to stiffen its spine.

Now the issues are more complex, domestic ministries and mid-level bureaucrats are also involved—and they tend to be more nationalistic than senior foreign-ministry officials. The SIPRI researchers found that the ministry of state security, in particular, has a bigger role in foreign policy. At the climate-change talks in Copenhagen authority lay with the National Development and Reform Commission, charged with economic development. China attracted foreign criticism for taking a hard line, against the foreign ministry's advice.

The PLA's influence is harder to read. On the one hand since the 1992 party congress no officer

has been picked for the all-important standing committee of the Politburo. At the end of the Cultural Revolution more than half the Politburo was from the PLA; now only two out of 24 are. On the other, writers from PLA research institutions are more outspoken and conspicuous than they used to be, using newspaper commentaries and television appearances to put over the PLA's views.

Unlike professional Western armies, the PLA speaks out on foreign policy. In his book "The Party", Richard McGregor points out that it contains roughly 90,000 party cells—one for every 25 soldiers. Although promotion these days depends on competence as well as ideology, the PLA's political role gives it a voice in security policy. Unlike Mao and Deng, today's leaders did not have a military background, so they may need to hold the PLA close.

There is no reason to believe that the leaders' authority has dimmed. If they think a policy is of paramount importance for the country or the party, they will get their way. The authorities can still put down pretty much any demonstration if they choose. But politics is rarely black and white, even in China. Government is usually about shades of grey. When the leaders hear a single message from the press, netizens and their own advisers, they may feel they need to listen. When public opinion is split, they can usually afford to ignore it. James Reilly, of the University of Sydney, who has studied China's policy towards Japan, says that public pressure is most potent when the elite is divided.

Either way, the authorities will watch public opinion, if only because protest can become a covert form of opposition. Anti-Japanese demonstrations in South Korea in the 1960s fuelled the pro-democracy movement—just as protests against African students preceded the Tiananmen protests in 1989. Foreign policy has a history of destabilising governments in China, says Rana Mitter of Oxford University, and the Chinese are quick to blame foreign failures on domestic weakness—"disorder at home, calamity abroad," they like to say.

Nationalism may frame an issue before the leaders get to deal with it. By the time the row over, say, the disputed Senkaku/Diaoyu Islands reaches their desks, the propaganda department, along with commentators in the press and statements from the PLA, may have created a context that they cannot back away from without looking weak.

This dynamic is not new. It greatly complicated the mid-air collision between a Chinese fighter and an American spy plane in 2001, which the PLA had (wrongly) blamed on the Americans. But just now, in the run-up to the change of the country's leadership in 2012, seeming to be a pushover could wreck careers.

The risk, writes Ms Shirk, is that "compromise is likely to be viewed as capitulation." That creates dangers for anyone in China who favours detente. Speaking to Mr Lampton about Taiwan, one Chinese scholar put it this way: "If we suppose that there are two options and they use tough measures...and the leader fails to resolve [a problem], he is justified. But if [he] uses too much honey and he fails, he is regarded as guilty by all future generations."

In the long term the leaders' scope for action will depend on China's economic growth. A booming China will indicate that the country is strong enough to press its case in the world. A weak China where growth has stumbled and the party feels under pressure at home could stir up trouble abroad. That does not leave much scope for a less assertive China.

Supposing that the leaders want to cleave to Deng's original injunction to "bide and hide", three things are in their favour. First, popular nationalism counts for most in territorial disputes, such as Taiwan and the islands off China's coast. According to Jian Yang, of Auckland University, New Zealand, nationalism plays less of a part in technical areas such as economics, which may matter as much, if not more, to China's leaders. Second, China does not obviously have a grand alternative vision to the liberal order that America has sponsored since the second world war. It need not run into ideological battles abroad.

But third and most important, there is a lot that America and China agree on. Both want a healthy world economy, a stable Asia, peace in the Middle East, open sea lanes, a limit to

proliferation, an open trading system, and so on. They have plenty of reason to want good enough relations to accomplish such things.

### Turn up the assertiveness

The most likely outcome is a more assertive China that wants to get more done abroad without fundamentally upsetting the world order. On sensitive territorial issues where the party's credentials are at stake, China may be uncompromising and increasingly unreasonable. Elsewhere its leaders will probably be looking for deals—though they will insist on better terms, as befits a global power.

How easily will the world accommodate this more assertive China? For the best part of a decade China has tried hard to reassure its neighbours that they have nothing to fear from its rise. So its new assertiveness will be doubly uncomfortable, especially if it is mixed up with bad-tempered territorial disputes. In other words, Asian security will be determined not just by how China uses its new strength but by how other countries react to it. This was the idea behind China's conciliatory New Security Concept. Other countries will relax if they are reassured that China does not pose a threat. Unfortunately, the charm offensive has not altogether worked.

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