Chinese Foreign Policy as a Rising Power to find its Rightful Place

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Abstract

This article seeks answers to two related questions in the context of China’s rise as a great power. Has the Chinese leadership abandoned Deng’s low-profile diplomacy and reoriented Chinese foreign policy towards a more assertive or even aggressive direction, supported by its new quotient of wealth and power? Is China ready to take a global leadership role and assume international responsibility as a great power? Focusing on China’s foreign policy after the beginning of the global downturn in 2008, this article finds that China has indeed become increasingly assertive in its defence of so-called ‘core’ national interests, reacting stridently to all perceived slights against its national pride and sovereignty. While China has built its national strength to effectively defend its state sovereignty and wield significant global influence, it is still preoccupied by its immediate interests concerning daunting internal and external challenges to its regime survival, economic development and territorial integrity. Beijing’s assertiveness in defending its core interests, therefore, is not accompanied by a broad vision as a rising global power, making China often reluctant to shoulder greater international responsibilities. In its search for its rightful place, China is still reluctant to meet expectations for it to play the leadership role of a great power.

Key Words

Chinese foreign policy, China’s global power aspiration, China as a rising power, core national interests, global leadership and responsibility, Chinese nationalism, global financial meltdown.

Introduction

China’s phenomenal rise as a great power has been accompanied by a change in its foreign policy behaviour, adopting a more confrontational position in relation to Western countries, as well

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as tougher actions, including repeated use of paramilitary forces, economic sanctions, fishing and oil ventures, and other intimidating means, to deal with territorial disputes in the South and East China Seas in the late 2000s and the early 2010s. This development has raised at least two related questions. One is whether the Chinese leadership has abandoned Deng’s low-profile diplomacy and has reoriented Chinese foreign policy towards a more assertive or even aggressive direction, supported by its new quotient of wealth and power, as an increasing number of observers have suggested that China has emerged ‘sooner and more assertively than was expected before the wrenching global financial crisis’. A Western scholar even went so far as to argue that ‘Beijing now asserts its interests—and its willingness to prevail—even at the expense of appearing the villain’. Another Western observer believed that China was ‘moving gingerly beyond the paradigm of developmental modesty’. The second question is whether China is ready to take a global leadership role and international responsibility as a great power in confronting problems such as climate change, genocide, and nuclear proliferation. In other words, is China prepared to play the positive leadership role of a great power in the 21st century?

Most of China’s foreign policy decisions were made through the lenses of issues that were of sole importance to China, rather than on the basis of broader regional or global economic and security concerns.

Seeking an answer to these questions, this article focuses on China’s foreign policy behaviour after the beginning of the global downturn in 2008. It finds that China has indeed become increasingly assertive in its defence of the so-called ‘core’ national interests, reacting stridently to all perceived slights against its national pride and sovereignty. These changes produced deleterious effects on China’s foreign policy making, and led China into tension with both Western powers and its Asian neighbours, making China ‘one of the loneliest rising powers in world history’. Despite the significant change, most of China’s foreign policy decisions were made through the lenses of issues that were of sole importance to China, rather than on the basis of broader regional or global economic and security concerns. While China has built its national strength to defend effectively its state sovereignty and wield significant global influence, it is still preoccupied with its immediate interests concerning daunting internal and
external challenges to its regime survival, economic development and territorial integrity. Beijing’s assertiveness in defending its core interests, therefore, is not accompanied by a broad vision as a rising global power, making China often reluctant to shoulder greater international responsibilities. Still in search of its rightful place in the 21st century world, China is still reluctant to meet expectations for it to play the leadership role of a great power. This article starts with an analysis of China’s pursuit of its core interests during the global downturn and then goes on to explain its driving forces. The third section examines the implications of China’s new assertiveness in pursuance of its core interests.

From taoguangyanghui to Assertively Pursuing Core Interests

For many years after the end of the Cold War, being aware that its circumscribed national strength and geostrategic position did not allow it to exert enough clout, China followed the taoguangyanghui policy- hiding its capabilities, focusing on national strength-building, and biding its time- set by Deng Xiaoping in the early 1990s, kept its head low and avoided confrontation with the U.S. and other Western powers. China’s low-profile policy was a response to China’s vulnerability in the wake of the Western sanctions following the Tiananmen Square protests in 1989. As a result, Beijing devised a ‘mulin zhenge’ [good neighbour policy] for relations with its Asian neighbors to create a peaceful regional environment conducive to its economic development. In its relations with major powers, Beijing made pragmatic accommodations to ‘learn to live with the hegemon’, i.e., make adaptations and policy adjustments to accord with the reality of U.S. dominance in the international system, and because the U.S. held the key to China’s continuing modernisation efforts.

China followed the taoguangyanghui policy- hiding its capabilities, focusing on national strength-building, and biding its time- set by Deng Xiaoping in the early 1990s, After rapid economic growth over the past three decades, China weathered the global economic slowdown that started in 2008 better than many Western countries, and overtook Japan as the world’s second-largest economy in 2010. China’s foreign policy behaviour has,
therefore, shifted towards a more assertive direction. For one thing, China's core national interests, defined as 'the bottom-line of national survival' and essentially non-negotiable, suddenly became a fashionable term, appearing increasingly frequently in speeches of Chinese leaders and official publications. While some Chinese scholars have cautioned to be more ambiguous in listing China's core interests, to leave room for maneuver, Chinese leaders have made it clear that sovereignty and territorial integrity are among China's core national interests. Chosen obviously with the intent to signal the resolve of China's rising power aspirations, Chinese leaders have steadily included more and more controversial issues in the expanding list of China's core interests. Pursuing these core interests, China has reoriented its foreign policy in a more assertive direction, reacting stridently to all perceived slights against its national pride and sovereignty. These changes damaged China's relations with Western countries and many of its Asian-Pacific neighbours.

In its relationship with Western countries, China no longer avoided appearing confrontational, ‘berating American officials for the global economic crisis, stage-managing President Obama's visit to China in November, refusing to back a tougher climate change agreement in Copenhagen, and standing fast against American demands for tough new Security Council sanctions against Iran’. With Western economies floundering and Chinese economic and diplomatic clout rising, a perception of the U.S. in heavy debt to China, but still attempting to leverage its superiority to keep China down, has made Chinese leaders less willing to make adaptations and more ready to challenge the U.S. in defending what they call core interests. A battered West presented a gratifying target for pent-up contempt.

Raising the stakes with regard to the U.S. predictable arms sales to Taiwan, China ratcheted up the rhetoric in its dire-sounding warnings against the consequences of the arms sales as a serious challenge to China's core interests. Rear Admiral Yang Yi openly stated that it was time for China to sanction the U.S. defense firms behind the sales to “reshape the policy choices of the U.S.” When the Obama Administration notified Congress of the US $6.4 billion arms sale to Taiwan on 29 January, his administration was met

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with unprecedented Chinese objections. In addition to what China did in the past by announcing the suspension of some military exchanges with the U.S. and unleashing a storm of bluster by various relevant government and military agencies, the Chinese Foreign Ministry spokesman, officially threatened for the first time to impose sanctions against American companies involved in the arms sales. In response to President Obama’s meeting with the Dalai Lama in early 2010, instead of following the low-profile dictum, China reminded the West of the tough statement that Deng once made: “no one should expect China to swallow the bitter fruit that hurts its interests”.

China’s assertiveness vis-à-vis Europe, on issues involving its core interests, was even more apparent. Regularly punishing European countries when their leaders met the Dalai Lama in an official setting, China denounced German chancellor Angela Merkel over her meeting with the Tibetan spiritual leader. China also suspended ties with Denmark after its prime minister met the Dalai Lama and resumed them only after the Danish government issued a statement saying it would oppose Tibetan independence and consider Beijing’s reaction before inviting him again. After French president Nicolas Sarkozy met with the Dalai Lama in his capacity as the president of the European Union (EU), Beijing abruptly canceled the scheduled EU summit in December 2008 to show that, even amid the global economic crisis, it was ready to confront the leaders of its biggest trading partners.

In its relations with Asian-Pacific neighbours, Beijing asserted its core interests to prevail in maritime territorial disputes, even at the expense of appearing the villain. For many decades after the founding of the People's Republic of China (PRC), China pursued a delaying strategy, which maintained China's claim to the disputed territory but avoided using forces to escalate the conflicts because its military forces were mostly land-based and its naval capacity could rarely reach beyond its near seas. Fueled by rapid economic growth, China engaged for nearly two decades in a swift and wide-ranging military modernisation with an emphasis on building naval capacity. With enhanced military capacity, the People’s Liberation Army Navy (PLAN)’s mission has expanded beyond primarily defending China’s coastlines to securing the resources and sea lanes from the East China Sea along the Ryukyu Islands chain, through Taiwan and the Philippines, and to the Straits of Malacca in the South China Sea. Feeling it has more leverage and right to assert its core interests forcefully, and catering to popular nationalist demands, China
modified its long time-delaying strategy and embarked on a new pattern of aggressively asserting its suzerainty and sovereignty over the disputed maritime territories.

As a result, although China’s official statements on core interest issues involving sovereignty and territorial integrity referred almost exclusively to the three issues of Taiwan, Tibet and Xinjiang: “where the secessionist momentum challenges not only China’s territorial integrity, but also the legitimacy of the Chinese Communist Party as the ruling party of China”, Chinese leaders expanded the core interest issues in 2009 to include the maritime territorial claims in South China Sea, where China confronts a mosaic of disputes over islands and seas also claimed by Southeast Asian nations. Deploying more personnel and installing new equipment to carry out regular sea patrols and more frequent and forceful law enforcement in the South and East China Seas, China made strong reactions against a chain of incidents during 2009 to 2012, including China’s repeated attempts to prevent Vietnamese and Philippine vessels from exploring oil and gas in disputed waters in the South China Sea, and China’s punitive actions during the Sino-Japanese stand-off over Japan’s detention of a Chinese trawler captain and the Japanese government’s decision to nationalise the disputed Senkaku/Diaoyu Islands in the East China Sea. These incidents provoked diplomatic crises during which China displayed its naval warships to support its sovereignty claims. As a result, China’s relations with the Asia-Pacific countries have come to a low point not seen in many years.

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China’s toughness also played out in the renewed dispute with India over what India claims to be its northeastern state of Arunachal Pradesh and China claims to be its territory of Southern Tibet. During the 1962 Sino-Indian Border War, China had advanced deep into this region and withdrew after a brief occupation. Although Arunachal Pradesh achieved statehood in 1987, China has continued to lay claim to this territory and objected to any Indian assertion of sovereignty over the area, expressing this in increasingly strident language in recent years. In the summer of 2009, for instance, China blocked the Asian Development Bank from making a US $60 million multi-year loan because the loan was for infrastructure improvements in the state. India
then moved to fund the projects itself, prompting China to send more troops to the border. A trip by the Dalai Lama in November 2009 to the state led Sino-Indian relations to deteriorate even further. Beijing was angered because the Dalai Lama did not just visit Itanagar, the state capital, but Tawang, which is the main bone of contention between India and China and was described by Indian officials involved in the border negotiations with China as ‘the piece of Indian real estate that China covets the most in the border dispute’. In Indian eyes China has become increasingly provocative over their long-running territorial disputes in the Himalayas. As tensions intensified, India was awash with predictions over China’s impending attack by 2012.

Sources of China’s Changing Foreign Policy Behaviour

There are many factors that help explain China’s changing foreign policy behaviour. One is China’s increasing confidence in its ability to deal with the West and the territorial disputes with its neighbours. The second factor is China’s frustration over the perceived anti-China forces trying to prevent China’s rise to its rightful place. This frustration sustained the nationalist sentiment to assert China’s core interests and prevail. The third factor is that the possible slowdown of China’s economic growth and the ongoing leadership transition brought uneasiness among Chinese leaders, who had to meet any perceived threat to the regime’s legitimacy with an unusually harsh reaction. It is a combination of confidence, frustration, and uncertainty that resulted in China’s newfound assertiveness.

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China’s confidence is derived mostly from its enhanced power capacity, particularly its relative success in shrugging off the global financial crisis and maintaining a strong growth trajectory. ‘Chinese leaders are in essence realists. Their making of Chinese foreign policy often starts from a careful assessment of China’s relative power in the world’. As a result of China’s perception of the global balance of power tilting in its favour, Chinese leaders became increasingly confident of its ability to deal with the West and settle territorial disputes on its own terms, and are more willing to shape proactively
the external environment rather than passively react to it, to safeguard forcefully China’s national interests rather than compromise them.

For many years, the Chinese were on the receiving end of patronising lectures from Western leaders about the superiority of their brand of capitalism. Now the tables have been turned. At the April 2009 Boao Asia Forum, an annual high-level gathering of political and business leaders from Asia-Pacific countries held on China’s Hainan Island, a Western journalist reported that “there seemed scarcely a moment when a top Chinese official wasn’t ridiculing the world’s financial institutions, demanding major concessions from the United States, proposing new Asia-centric international architecture, or threatening to turn off the taps of Chinese capital which the rest of the world so desperately needs”.18 Indeed, the power transition from President George W. Bush to President Barack Obama, and political gridlock in Congress, delayed adoption of a stimulus bill until February 2009, shortly after President Obama took office, too late to prevent the deep economic contraction. In comparison, the Chinese government was much more effective in deploying its enormous state capacity to ward off the economic recession. After Lehman Brothers fell in September 2008, a two-day CCP (Political Consultative Conference) Politburo meeting in early October 2008 was devoted to battling the global economic tsunami.19 After the meeting, the State Council announced a four-trillion-yuan (US $586 billion) economic stimulus package on 9 November. Thereafter, state-run banks were busy pumping money throughout the economy. This huge fiscal stimulus package and expansion of state-owned bank lending quickly pushed China’s economy out of the downturn. For the first time in history, Chinese spending, rather than the U.S. consumers, became the key to a global recovery. As a result, many Chinese were convinced that a ‘China model’ that could strike a balance between economic growth and political stability, and between a market-oriented economy and an authoritarian state, worked better for China than the Western model of modernisation.

China’s economic success made the China model an alternative to the Western model.20 In parts of Asia, Africa and Latin America, the China model or ‘Beijing consensus’ became more popular than the previously dominant ‘Washington consensus’. As many developing countries looked for a recipe for faster growth and greater stability than that offered by the neoliberal prescriptions of open markets and free elections, the China model became an intellectual symbol of national pride in China.
With increasing confidence in its rising power status, China became frustrated by what it perceived as anti-China forces seeking to prevent China from rising to its rightful place. A ‘Middle Kingdom’ for centuries, China began a steady decline in the late 19th century after it suffered defeats and humiliation at the hands of foreign imperial powers and was plunged into chaos, involving war, famine, isolation, and revolution. Struggling for national independence and modernisation, China was now rising to regain the glorious position it enjoyed over two centuries ago. This great power aspiration, however, was met with suspicion and resistance by the perceived anti-China forces in the West, serving as an uncomfortable reminder of the historical humiliation when China was weak. Committing to overcoming humiliation and restoring its great power status, ‘the Chinese have sometimes used the term ‘international status’ as if it were their only foreign policy goal’ and were therefore frustrated, at the least, by the following three perceived barriers to China’s achievement of international status.

The first is the so-called structural conflict between China as a rising power and the United States as the sole superpower in the post-Cold War world. Beijing was therefore convinced that the U.S. would never give up the policy of containing China. As a Chinese foreign policy analyst stated, ‘with China’s rapid rise, the nature of the (China-U.S.) bilateral ties may evolve from the “sole superpower against one of multiple other great powers” into “Number One and Number Two powers”, and this may lead to a rise in tensions and conflicts’. Obama’s presidency during a deep financial meltdown provided an opportunity to test this thesis. Many Chinese assumed that a weakened U.S., heavily in debt to China, would have to make more concessions to China’s core interests. This assumption seemed to be confirmed by the first overseas trip in late February 2009 of a duly penitent U.S. Secretary of State Hillary Clinton, who once boasted how strongly she had emphasised human rights during her 1995 visit to Beijing, but who now suggested that China’s human rights records should not get in the way of cooperation on the financial crisis and security issues. As a Chinese scholar noted, after this visit, many Chinese thought that the U.S. ‘should respond nicely to China’ because China did ‘favour the U.S. on a couple of fronts – such as investing in its bonds and jointly stimulating the world economy’. These Chinese were, therefore, frustrated at the end of the year by ‘the rigid U.S. position’ that ‘does not reflect the nature of the new Sino-U.S. symbiosis...
and fails to recognise Beijing’s growing international clout’.  

For these Chinese, the troubled relationship with the Obama Administration once again confirmed that due to the structural conflict thesis, the U.S. engagement policy is simply another face to cover its hidden agenda of preventing China from rising as a peer power. Although many Americans cited China’s illiberal political system as one of the main points of friction and pressed China on the issues of human rights and democracy, the Chinese have wondered whether or not conflict would remain and grow starker even if China became democratic, as the U.S. would not want to see China, democratic or not, to be richer and stronger.

Second, many Chinese policymakers were frustrated by what they perceived as a Western conspiracy to slow down China’s rise by blocking China’s global search for natural resources and acquisition of foreign assets. China’s rapid economic growth brought about an unprecedented resource vulnerability. In 2003 China overtook Japan as the second largest oil consumer next to the U.S., and in 2004 overtook the United States as the world’s biggest consumer of grain, meat, coal and steel. China, therefore, had to search for resources overseas to sustain its rise. Chinese policymakers, however, were frustrated by the perceived attempts by the U.S. and other Western countries to block China in its global search for resources.

One of the most often cited examples is the failure of China National Offshore Oil Corporation (CNOOC)’s US $18.5 billion business takeover bid for the California-based oil firm Unocal Corp in early 2005, because of unusual political intervention from the U.S. Congress, which considered that the CNOOC takeover of Unocal would make it a state-run entity, and constitute a threat to U.S. national security. As a result, the Chevron Corporation, the second largest U.S. petroleum company, acquired Unocal for US $17 billion, US $1.5 billion less than CNOOC’s offer. This setback, perceived as ignominious by the Chinese leadership, was repeated in 2009 when the Anglo-Australian mining giant Rio Tinto walked away from a tentative agreement reached in 2008 with China Aluminum Corp (Chinalco), which had offered to pay US $19.5 billion to increase its stake in the global mining giant. The deal would have ranked as the largest-ever foreign corporate investment by a Chinese company. But to Beijing’s frustration, Rio Tinto rejected the deal, citing fierce shareholder opposition and the skepticism of Australian regulators because “there are lots of Aussies in high political places who don’t want […] land and resources sold to China’. The rejection was ‘a blow to China’s
ambitions to buy access to raw materials crucial for its economic growth’. 26

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The third frustration was the intensified international scrutiny of many of China’s awkward domestic and external challenges, such as human rights, media freedom, Tibet, Taiwan, pollution, and relationships with some allies in the Global South whom the West considered questionable. For example, when China was celebrating its success in preparing the showcase of the Beijing Olympics Games, the Chinese government was caught by surprise when in March 2008 angry Tibetans burned non-Tibetan businesses and attacked Han migrants. Seeing the riot as organised by foreign forces featherbedding China on human rights, including ethnic minority rights in Tibet, to embarrass China ahead of the Olympics, Beijing dispatched a large number of troops to suppress the protests. The suppression spotlighted China’s human rights and ethnic problems and led not only to wide Western media condemnation but also to demonstrations by international human rights groups and Tibetan exile communities that plagued the Olympic torch relay in London, Paris and San Francisco. The perception that much of the foreign media took a clear anti-China stance on the issue not only frustrated but also angered the Chinese government and the Chinese people.

The Chinese leaders were also embarrassed by the announcement by the Hollywood director Steven Spielberg of his quitting as an artistic consultant to the Olympic Games to protest Beijing’s Sudan policy. This was followed by nine Nobel Peace Prize laureates who signed a letter to President Hu, urging China to uphold Olympic ideals by pressing Sudan to stop atrocities in Darfur. The international scrutiny of China’s Sudan policy was related to the rising expectation of China’s responsible behaviour in relations with many of its friends in the Global South. Many Western countries criticised China for undermining their efforts to promote transparency and human rights as China vied for energy resources in some of the most unstable parts of the world. They were particularly critical of China pursuing deals with countries such as Iran and Sudan that were off-limits to
Western companies because of sanctions, security concerns, or the threat of bad publicity. To respond to Western concerns, China joined the U.S. and voted to impose and tighten sanctions on Iran, supported the deployment of a UN-African Union force in Darfur and even sent its own military engineers in 2007 to join the force. But Beijing was increasingly frustrated over whether China could match the heightened Western expectations, because positive responses could invite greater demands upon China to follow Western expectations that China could not or should not meet. In an angry response to the intensified international scrutiny, Vice-President Xi Jinping, the heir-apparent to President Hu Jintao, used extraordinarily strong language at a meeting with representatives of the Chinese community during a visit to Mexico City in February 2009 to accuse ‘well-fed foreigners with nothing better to do than keep pointing fingers at China, even though China is not exporting revolution, poverty, hunger, or making trouble for other countries. So, what else is there to say?’

This peculiar sense of frustration sustained a popular nationalist sentiment, which the Chinese government also exploited to compensate for the declining appeal of communism. With a deeply rooted suspicion of the United States and other Western powers, and calling for the Chinese government to redeem the past humiliations and take back all ‘lost territories’, popular nationalists increasingly applied heavy pressures on the Chinese government to take a confrontational position against the Western powers and to adopt tougher measures to claim its maritime territories in the disputes with its Asian neighbours. Popular nationalism ran particularly high when the global economy sputtered in 2008-9, because a battered West presented a gratifying target for pent-up contempt.

The boiling Chinese nationalist rhetoric was suffused with a sense of China as the victim yearning for redress.

Claiming that the financial crisis could result in an envious West doing whatever it can to keep China down, whereby a showdown was anticipated, a popular nationalist book, *China is Not Happy*, tapped into what the authors believed to be a widespread public feeling of disgruntlement with the West and urged China to assert itself militarily, diplomatically and in every other way to grasp its great power for a place in history. The book sold half a million copies within a few months of its release in
early 2009, not counting bootleg copies and online piracy, and immediately shot to the top of the bestseller list. Colonel Dai Xu’s popular book in late 2009 and his provocative speeches that were among the most popular videos on China’s Internet claimed that China was encircled in a C-shape by hostile or wary countries beholden to the United States and could not escape the calamity of war in the not-too-distant future. Because the U.S. put a fire in China’s backyard, he called for the Chinese leaders to light a fire in the U.S. backyard. Senior Colonel Liu Mingfu’s 2010 book, The China Dream, stood out for its boldness in the chorus of popular nationalist expressions. Reflecting on China’s swelling nationalist ambitions, the book called for China to abandon modest foreign policy and build the world’s strongest military to deter the wary U.S. from challenging China’s rise while the West was still mired in an economic slowdown. If China cannot become the world’s ‘number one’, it would inevitably become a straggler cast aside in the 21st century. Because Liu was teaching at the People’s Liberation Army (PLA)’s National Defence University that trains officers, it was believed that ‘the appearance of his book underscores calls for Beijing to take a hard stance against Washington, reaching beyond nationalist views on the Internet to include voices in the military elite’. The boiling Chinese nationalist rhetoric was suffused with a sense of China as the victim yearning for redress. Seeking status, acceptance, and respect on the world stage, and holding high expectations for the government to fulfill its promise of safeguarding China’s national interests, popular nationalists often accused the Chinese government of being too soft in dealing with Western powers.

Rapid economic growth not only created huge social, economic and political tensions but also raised expectations of the Chinese people for the government’s performance.

The pressure, therefore, built upon the Chinese government to flex its muscles in defending its core interests. Although China’s authoritarian political system gives the state immense power to drive foreign policy, China is no longer headed by charismatic leaders, such as Mao Zedong or Deng Xiaoping, who had the authority to arbitrate disputes in the leadership or personally set the country’s course. Current Chinese leaders must cater to a range of constituencies, and the power of the Chinese government has become more and more conditional on its ability to defend China’s national
interests as Communist ideology has sputtered, and social controls loosened by market-oriented economic reform and nationalist appeals of prosperity and power have become the new bases for regime legitimacy. As the strongman politics gave way to a collective leadership that is more sensitive to popular views on issues involving China’s vital national interests, political leaders understood that mishandling these sensitive issues could not only lead to social instability but also provide political competitors an avenue by which to undermine their political standing. This created a vague sense of ‘boundary of permissible’, which led to the ‘match’ of who was tougher, or at least would not lose any ground, on issues that defined the game for political gains.

To prove their nationalist credentials, Chinese leaders had to take an assertive stance in defending China’s core interests, where national pride and regime survival were seen to be at stake.

While China’s assertiveness was primarily driven by growing confidence and frustration, the economic and political uncertainties at home also played an important part. Although China was a relatively bright spot in the global downturn, rapid economic growth not only created huge social, economic and political tensions but also raised expectations of the Chinese people for the government’s performance. The state faced serious challenges from growing public demands related to the government’s policies on economic and social inequality, endemic corruption, epidemic pollution, emaciated healthcare, shredded social services, entrenched industrial overcapacity, swiftly aging population, ethnic conflict, etc. ‘The Party leadership is terrified of their outsized expectations. People under the age of 40, the progeny of the one-child policy, did not live through Maoist poverty and upheaval. They are pampered, impatient and demanding. They consider exponential growth a basic benchmark of life, and access to information to be a civil right’. While few Chinese people at present would want Western-style democracy, the leaders knew that their legitimacy depended on their ability to meet various demands from society.

When the global financial turmoil started, the Chinese leaders were not sure if it would batter China’s economy and produce unrest in society. Their concern was not unfounded because, in addition to the high-profile riots in Tibet in 2008 and in the Muslim region of Xinjiang in 2009 that caught them by
surprise, they routinely had to deal with tens of thousands of civil and ethnic protests from those robbed of their land for development, laid-off workers and those suffering from the side-effects of environmental despoliation. As the financial meltdown swept across the globe, they did not know what would happen to the millions of migrant workers who lost their jobs as labor-intensive industries churning out cheap products for export put up their shutters, and to the many white-collar workers who were laid off or had their bonuses and wages cut. Attributing the financial meltdown entirely to ‘economic mismanagement’ by the Western countries, the Chinese government was able to avoid criticism if it also failed but could receive praise if it were effective in deploying its enormous state capacity to pull its economy out of the downturn. Out of anxiety over the political consequences of possible economic slowdown in the long run, the Chinese government’s taking a more assertive position to defend China’s core interests may not only avoid criticisms of its incompetence but also divert attention from domestic problems.

The leadership transition in the run-up to the 2012 Party Congress also brought political uncertainty. As the succession process geared up, hard-line nationalist policies were popular because they could become springboards for power for ambitious and unscrupulous leaders during a caustic period. White-knuckling its way through their final two years in office before handing over power to the next generation of leaders, the Hu Jintao and Wen Jiabao leadership was very weak. Nervous about maintaining long-term regime legitimacy and social stability, the Hu-Wen leadership wanted to do their best to foster their reputation as protectors of national pride and domestic stability, avoid criticism along nationalist lines, and boost their support among the government officials and military officers. To prove their nationalist credentials, Chinese leaders had to take an assertive stance in defending China’s core interests, where national pride and regime survival were seen to be at stake. The Chinese government, thus, displayed an unusually hawkish and nationalistic position in pursuing their core interests even at the risk of overplaying popular nationalism.

Core Interests versus the Global Power Responsibility

While a more powerful China has been more willing to leverage its growing capabilities to shift the global power balance in its favour and vigorously pursue its core interests, China is not ready to take on the role of global leadership and assume more
international responsibilities as a rising global power. At the first China-U.S. Strategic & Economic Dialogue in Washington D. C. in July 2009, State Councilor Dai Bingguo told his American interlocutors that China’s three core interests were to maintain its fundamental system and state security, state sovereignty and territorial integrity, and the continued stable development of its economy and society. These are narrowly defined interests having more to do with the Chinese leaders’ preoccupation with regime survival and national security than with China’s great power aspirations. The survival of the Chinese Communist Party (CCP) regime is the first core interest because, given the authoritarian nature of the Chinese political system, challenges to its regime legitimacy would always be a concern for the CCP. A combination of foreign forces with domestic discontents could seriously threaten the CCP regime. The second core interest of state sovereignty and territorial integrity refers almost exclusively to the Taiwan and Tibet issues and has become increasingly sensitive in the context of rising nationalist sentiment among the Chinese people. Continued economic development and social stability becomes the third core interest because it is the foundation of the CCP’s performance legitimacy to justify its continued rule in China.

Former U.S. Deputy Secretary of State Robert Zoellick urged China to become ‘a responsible stakeholder’ in the international system that had enabled its success. While the Chinese leadership generally welcomed the ‘responsible stakeholder’ call because, as a China Daily commentary suggested, it was an indication of the U.S. government seeing China as a ‘strategic partner’, China is still reluctant and very selective in taking on global and regional responsibilities, instead concentrating mostly on its core interests in a fairly narrow sense. One Chinese scholar even suggested that the Western call for China to take greater responsibility was to dictate China’s international performance, which was another version of the ‘China threat’ view. In this case, China’s participation in international affairs is not simply to meet the expectation for its responsibility as a rising great power in an increasingly interdependent world but most often is based on the calculation of its core interests. As one American scholar criticised, China’s approach towards the international regime is guided by the ‘maxi-mini-principle- maximisation of rights and minimisation of responsibilities’. Another observer believed that ‘China has been a reluctant follower, not a leader’. Yet another observer even suggested that China’s policies reflected a ‘me first’ notion.
One Chinese scholar rebutted the Western criticism as a distortion of China’s international responsibility, which, according to him, follows two principles. One is to make commitments according to its ability \([\text{liangli erxing}]\) and the other is to combine China’s interests with the common interests of the international society.\(^{45}\) An official *Outlook Weekly* article, ‘Hu Jintao’s Viewpoints about the Times’, proposed a concept of ‘shared responsibility’, which sets two important parameters of Beijing’s international responsibility for many sensitive global and regional issues. First, China’s contributions to the global commonwealth cannot adversely affect China’s core interests. Second, China’s international commitments are conditional upon the inputs of other states, especially developed countries and regions such as the United States and the European Union.\(^{46}\) Based upon this logic, China opposed mandatory emission reductions for developing countries while pressing developed countries for deep carbon reduction commitments, as well as for financial assistance to poorer nations, at the Copenhagen Climate Change Summit. By the same token, China set conditions for its participation in the global efforts to bail out debt-ridden European countries in 2012. One of the conditions was ‘the efforts are multilateral, not just bilateral.’\(^{47}\)

On international peace and security, China was also often reluctant to step up proactively in response to the call for Beijing to take more responsibility in solving key global issues in troubled countries such as North Korea, Iran, Afghanistan, Sudan, and Pakistan, because China’s interests in these hot spots were different from those of the Western countries.

As a result, China has not taken on a broad international responsibility to be the visionary and magnanimous global player looking beyond its own often desperate and narrowly focused core interests. From this perspective, one Western observer accused China of being a ‘global free rider’ because ‘Beijing remains highly reluctant to take on more burdens—whether economic, political, or military’.\(^{48}\) It was indeed revealing that at the G20 summit in April 2009 ‘the only thing China cared about was keeping Hong Kong off the list of offshore tax havens being scrutinised. Beijing’s coffers may be bulging with $2.1 trillion in foreign-currency reserves, but it is not exactly offering to spend that cash on common crises. Besides calling for a new international reserve currency, China has mostly remained silent on how to reform the global financial system’.\(^{49}\) Whether a free rider or not, juggling its emerging great power status with its parochially defined core interests, ‘the Chinese
Delighting in the notion that China was recognised as a global power, many Chinese were initially flattered by the G2 idea, which saw the world as a bipolar affair, in which America and China were the only two powers that mattered.

As a reflection of its torn position, Chinese scholars and policymakers have been debating and expressing at least three views on China’s changing international role. One view urged the government to abandon the passive ‘tiaoguang yanghui’ policy and take a ‘great power’ [daguo] responsibility to ensure a ‘just’ world order. The second view calls for a modified taoguangyanghui policy to give more emphasis on ‘youshuo zuowei’ [striking some points/successes] and take a more active or even a leadership role in pursuing certain foreign policy objectives, particularly in China’s core interest issue areas. The third view is to continue the low-key policy and avoid taking a leadership position on most issues. The first view has received the most attention in the Western media and is also popular among the Chinese people, but is not the official position of the Chinese government, which has taken the third view, although in practice the second view is the actual policy.

Clearly, the Chinese leaders, at least in public, have not abandoned the low-profile policy evident in Premier Wen Jiabao’s statement that ‘Precisely by not raising our banner or taking the lead internationally we have been able to expand our room for maneuver in international affairs’. Therefore, ‘there is no reason whatsoever to alter this policy’. During a visit to Europe in early 2009, when some sensitive Western reporters pricked up their ears at Wen’s statement that China would be a peaceful and cooperative great power and asked for a clarification of the phrase ‘great power’, the government news agency, Xinhua, released an English translation of the word as ‘country’ instead. At the
same time, after the remarks caused a sensation in the international media, the Chinese government censors deleted from Chinese news reports and official websites the unguarded remarks of Chinese Vice-President Xi Jinping in Mexico that foreign powers had eaten their fill and had nothing better to do, messing around and pointing their fingers at China's affairs. The domestic media were banned from reporting his comments. As an expression of this delicate position, Chinese foreign minister Yang Jiechi had to emphasise the importance of holding onto the low-profile policy while calling to ‘act as a responsible big country (power)’. Two Chinese scholars also elaborated this position: ‘following Deng’s low-profile policy, China has been modest and realistic in assessing China’s strengths and weaknesses and kept a sober mind, and even rejected occasional temptations to overestimate its power and influence in the world. But this does not mean that the Chinese should shake off their international obligations’. This ambivalent behaviour is a reflection of a confusing dual-identity of China as a rising power and a developing country. While the Chinese view their country as inherently a great power by virtue of its history, culture and population, and cherish its rising power status, Beijing still pretends to be a developing country and struggles to avoid controversial global affairs across a range of issues and instead focuses on China's immediate interests. One example is that, delighting in the notion that China was recognised as a global power, many Chinese were initially flattered by the G2 idea, which saw the world as a bipolar affair, in which America and China were the only two powers that mattered. They, however, quickly criticised this notion as ‘a potential trap for China that could expose it on the world stage’. Wrapping its great power aspirations in modesty and pointing out that China is still a developing country with only one-tenth of the per capita GDP of the U.S., Premier Wen Jiabao firmly rejected the G2 idea as ‘not appropriate’, ‘baseless and wrong’ and reiterated that ‘China remains a developing country, despite remarkable achievements, and its modernisation will take a long time and the efforts of several generations’. Wen's statement was not simply an expression of modesty to soothe Western worries over the China threat. As Minxin Pei suggested, ‘it is far more likely that China's leaders are actually telling the truth’. Although China pulled off the world's most impressive recovery earlier than many Western countries, it still faces numerous internal social, economic, environmental, demographic and political challenges that could
Europeans pass through this difficult phase, completing a new round of systemic reforms, they will witness a new round of technological revolution and an explosion of productivity growth, which will be the real strike against, and bring an end to, China’s period of strategic opportunity’. It is from this perspective that the scholar commented that ‘the game in Sino-U.S. relations is only in the opening phase, with the real strategic contest yet to come’. China’s greatest challenges are ‘not the international scene or in our neighbouring region, but instead lie in our internal system reform and social situation; the real danger is not one of military confrontation or conflict, but instead stems from troubles in the non-military realms of finance, society, the Internet and foreign affairs’. He therefore suggested that ‘how to cool off the tensions within our region, so as to turn to the real work of quickly perfecting our own domestic system structure and revitalising economic society, so as to make our national competitiveness as strong as possible, is the real challenge China faces today’. 60

As one Chinese scholar soberly observed, in the wake of the global financial meltdown, ‘all great countries at present are trying to do the same thing: internally deepen their system reform and externally seek strategic space’. ‘Once the Americans and

significantly overshadow China’s long-term economic growth. China also faces severe geopolitical challenges. Even in its neighbouring Asia-pacific region, the reach of China’s power is kept in check by the presence and influence of the United States and the strength of dynamic and vigilant regional powers, such as India, Japan, Vietnam, and Russia. As a result, ‘China will be unable to become hegemon in Asia – a power with complete dominance over its regional rivals. By definition, a country cannot become a global superpower unless it is also a regional hegemon, such as the United States […] China must constantly watch its back while trying to project power and influence on the global stage’. 59

Political survival at home always is the top priority and in this regard foreign policies are usually more expendable for political leaders, Chinese and Americans alike.

In this case, the world is not bipolar because the U.S., as the world’s biggest economy and military power, has the capacity to shape the environment in which China makes its policy choices by strengthening cooperation with its allies in Asia as well as in other parts of
the world, working with other countries in the UN Security Council, and broadening engagement across the board to bring China along. While the Chinese leaders have faced nationalist pressures at home to defend its core interests, the U.S. politicians have faced similar domestic pressures to roll back China’s assertiveness. After all, political survival at home always is the top priority and in this regard foreign policies are usually more expendable for political leaders, Chinese and Americans alike. China’s assertiveness during the global slowdown made ‘demonising China’ popular in the U.S. media and clearly hardened the U.S. positions on some issues China defined as its core interests, and to an extent increased at least some hostility in the U.S. Congress towards China. Thus, when China reacted very strongly to the U.S. arms sale to Taiwan in early 2010, Joseph Nye warned that ‘China has miscalculated by violating the wisdom of Deng Xiaoping, who advised that China should proceed cautiously and keep its light under a basket’.61

Coming to the realisation that ‘they had let their rhetoric get ahead of their interests, and were looking for a way to climb down’,62 at the height of China’s confrontation with the U.S. over its core interests, two experienced Chinese diplomats, former ambassador to Germany, Lu Qiutian, and former ambassador to Russia, Li Fenglin, held a web chat on 20 March 2010 with Chinese netizens in their official capacity as advisory members of the Chinese Ministry of Foreign Affairs. They reminded their online audience that China was still a few generations away from being a true great power and cautioned them to have a realistic attitude toward the view that ‘China will replace the U.S. to become the dominant power in the world’. Therefore, China’s taoguang yanghui strategy would continue for a long time.63 It is worth noting that, while the Chinese suspended part of its military exchange with the U.S. following the arms sale to Taiwan, it allowed the USS Nimitz aircraft carrier battle group to visit Hong Kong on 7 February, one day before President Obama’s meeting with the Dalai Lama.64 In spite of angry words and a threat to sanction U.S. companies involved in the arms sales, China so far has not taken action on that threat. President Hu participated in the Nuclear Security Summit in April 2010, although, according to a Chinese scholar, ‘quite a significant number of Chinese officials objected to Hu’s attendance’ because they thought that ‘Hu’s appearance was a one-sided concession to the ruthless undermining of Chinese national dignity’. This scholar revealed that ‘given the bitter debate within China on how to react in the wake of the U.S. violation
of core interests and the divisions among Chinese elites', Hu’s decision to go to Washington represented ‘a new consensus and a punctuation to domestic debates in China. By persistently broadening converging interests with the U.S. and strengthening cooperation on transnational issues, Beijing’s pragmatism prevails once again’.65

Conclusion

Three conclusions may be drawn from this study. First, keeping its head low for many years, China raised its head during the global economic downturn in 2008-2009 when the Western countries’ obvious weakness propelled the Chinese to rethink relations with Western powers.66 This shows that China’s growing national strength could alter and, to an extent, has already altered its foreign policy behaviour. A Chinese scholar noted a fundamental foreign policy transformation in the mid-2000s, characterised by ‘the change of China from an ordinary state diplomacy to great power diplomacy, from weak-posture diplomacy to strong-posture diplomacy, and from a passive diplomacy to a proactive diplomacy’.67 Another Chinese scholar observes that ‘in comparison to the past years, Chinese foreign policy in 2009 witnessed an important change’ as ‘China no longer bends to Western pressures and heeds what the West would think of its behaviour [bumai xigang de zhang] in the pursuit of its interests’.68

One defining tension in China’s foreign policy agenda is still to find a balance between taking broad responsibility as a great power and focusing on its narrowly defined core interests to play down its pretense of being a global power.

Second, reflecting on China’s growing confidence in its increasing power and influence, its frustration as a rising power on the world stage, and the regime’s fear of many social, economic and political uncertainties at home, China’s new assertiveness has, however, focused on pursuing its immediate interests, and Beijing is still hesitant to use its rising power status to bolster the global common welfare. It is, therefore, too soon ‘to expect China to play a broader role, taking on responsibilities for global order and making concessions for broader interests’.69 It is from this perspective, one observer suggested, that ‘China has not been psychologically prepared to play a full “great power” leadership role in confronting problems such as climate change, genocide, civil war, nuclear proliferation, much less
abusive governments. Its rigid notion of sovereign rights has made leaders reluctant to criticise publicly or intrude overtly in the internal affairs of other countries. This reluctance has only been reinforced by China's view of itself as a victim of hegemonic predation by stronger colonialist and imperialist powers over the past one and a half centuries.\textsuperscript{70}

Third, one defining tension in China's foreign policy agenda is still to find a balance between taking broad responsibility as a great power and focusing on its narrowly defined core interests to play down its pretence of being a global power. Rising as a great power but still trailing far behind the U.S., China is not yet in a position to dislodge America from its position of global dominance. The continuing growth of China's national strength may eventually eliminate this contradiction when the Chinese leaders come to 'view their country less as a poor nation and more as a great power'.\textsuperscript{71} Until then, Chinese foreign policy is still in a transitional stage from a reluctant rising power to a true great power. Chinese foreign policy behaviour during this transitional period can still be explained by defensive realism, which sees a hierarchical power structure that 'is constantly in flux, reflecting variations in relative power'.\textsuperscript{72} Emphasising the importance of balancing behaviour, however, defensive realism stresses the degree to which unrestrained pursuit of power can lead to counterbalancing. Therefore, it tends to 'avoid unnecessary provocation'.\textsuperscript{73} But whether this defensive realism will lead to an offensive realism or a responsible stakeholder in the international system, is still anyone's guess.
Endnotes


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