For a brief period, China seemed to be defeating the tragic tendency towards turbulence that occurs whenever a great power stands up. Whereas the rest of the world managed to suppress the costs of adjusting to the power shift and prioritized other security issues, Chinese leaders shunned confrontation. China’s peaceful development is now in peril. This is not because China harbours revisionist intentions. Yet, its growth inevitably challenges the security of others leading them to balance their security policies more forcefully. As China considers itself still a very fragile country, it will find these moves malicious, resist compromise, and albeit reluctantly, seek ways to counterbalance.

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Introduction

One of the first priorities for Chinese President Xi Jinping was to stress the continuation of China’s peaceful rise. “China has reaffirmed its solemn commitment to the international community many times that it will unswervingly follow the path of peaceful development and will never seek hegemony or expansion”, he stated. China will thus continue to present its rise more as a paradigm shift than a power shift. What matters is not that it becomes stronger, but that it is committed to use its newly gained strength for the benefit of mankind and to steer clear of the sort of aggressive behaviour that other powers have displayed in the past. By pursuing peaceful development, China should stand as an exception against a long turbulent history of hegemonic wars and will inevitably change the very nature of international power politics. These are strong claims. Because China is certainly not the first rising power to promise a peaceful rise, having reservations about whether China is indeed becoming the first rising power also to live up to those promises is comprehensible reservations that this paper largely subscribes to, as it finds the window of opportunity for the People’s Republic of China to cultivate the prospect of a harmonious world closing rapidly.

Because countries increasingly consider their interests being imperilled by China’s rise, they have a starker penchant for balancing and demanding greater concessions. At the same time, the Chinese leadership finds those fears unwarranted and does not have much domestic leeway for making compromises. Neorealism once again prevails in international politics. The reluctance in balancing against China’s rise was more the result of strategic distraction and the overtrading of confidence than of a true paradigm shift. Sadly, the high expectations of cooperation complicate reassurance now that balancing returns. The monetary trickery that allowed Western states to suppress the economic costs of adjusting to the power shift and China to accelerate its industrialization causes distress, delegitimizes liberal or reformist elites, and makes governments wary of unbalanced trade. As China and the other powers have tied diplomatic success to dialogue and multilateralism, the current tensions pour grist on the mill of hardliners. While changes in the distribution of power inevitably lead to balancing, balancing in a context of nationalism will escalate more easily into military skirmishes and trade wars.

1 Xi talks on BRICS co-op, ties with Russia, South Africa, «China Daily», 21 March 2013.
The case for peaceful development

China’s new leaders have made their case for peaceful development forcefully. The first main argument running through the discourses of the leadership is that their country’s development creates great opportunities and that globalization spreads them to all corners of the world. Mutually beneficial economic cooperation and trade, they posit, are advanced through a division of labour. No delegation passes by without Chinese interlocutors emphasizing the specialization in bilateral trade relations. During a visit to a China-ASEAN expo, Premier Li Keqiang stressed, for instance, that China and ASEAN were becoming “two wheels of regional and global trade rolling together”3.

The second assertion is that China seeks to settle differences with other countries through multilateralism and that it is dedicated to help developing a more solid architecture of international organizations. Xi Jinping, for example, stressed his commitment to “safeguard and consolidate” multilateral cooperation4. Decision-makers like to highlight that this engagement with multilateralism unfolded at various levels. Within the G-20 China plays a pivotal role in discussions about governing the new global order. In Asia it is involved in crafting open trade regimes and finding a solution to conflicts like the wrangling over the South China Sea or the Korean Peninsula5. In Africa, Chinese envoys take pride in assisting the African Union in its labourious quest for regional stability, not the least by erecting its brand new headquarters6.

Thirdly, Beijing asserts that war and coercion no longer pay off. It says to adhere to a strict policy of strategic self-restraint. A gesture of its benign intentions, Beijing concluded agreements with 12 neighbouring countries over the demarcation of tractions of its disputed land border. While continuing to signal its claims in the East and South China Seas, the Chinese government reiterated time and again that military muscle flexing offers no solution and that joint development of the abundant offshore resources could help overcome disputes. Mistrust about China using its economic clout to impel other countries into political concessions is also brushed away, as leaders stress that a rising power can only grow smoothly if it allows its partners to negotiate on an equal footing.

3 ASEAN, China brace for a diamond decade, «Jakarta Post», 6 September 2013.
4 Xi’s Central Asia trip aimed at common development, «Global Times», 15 September 2013.
The most intriguing part of China’s narrating on peaceful development, is how it seeks to bridge the differences in interests between developing states that place the national interest above individual rights and developed countries that are expected to be more liberal. While sovereignty and national unity run as a red line throughout official statements, Chinese leaders also stress that people share universal aspirations, including their longing for personal freedom, while arguing that it takes a long process of economic development for them also to come into full bloom as universal values. By putting development first, the emphasis is on the process, which is one of convergence and the formation of a global society, rather than static differences among states\(^7\). Chinese leaders have by and large recognized that there is a global trend of normative convergence, but also that it is up to states to make sure that this transpires in an orderly way.

Hence, as regards defence of peaceful development, the Chinese government has tapped at least into the right repertory of liberal if not idealist principles. It has gone even further to demonstrate that these principles are not just shrewd propaganda. On the one hand, it argues that there is no alternative to peaceful development. China’s growth is strongly interdependent with the economic success and development of other nations. A vast continental state that borders several other needy juggernauts, China cannot but foster a stable form of regional coexistence. On the other hand, leaders claim that there is no way back. China has become so deeply integrated into the global society that its captains of industry, opinion leaders, and officials already think very much like ‘responsible stakeholders’. As Cui Liru, President of the China Institute of Contemporary International Relations, put it: “Economic interlocking has given rise to a variety of communities with shared interests among nations”\(^8\). The irreversibility of China’s peaceful rise is also said to result from a deep internalization of cooperative values, values that are drawn from both the recent experience of successful international cooperation and the historical legacy of mainly Confucian thought.

**Questioning the harmonious world**

China’s policy of peaceful development is undeniably the most formidable test case for all the suppositions that the debate about international relations has engendered. Is China just making it all up to conceal

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\(^8\) Interview with Cui Liru, Beijing, 19 October 2012.
expansionist ambitions, as offensive realists assume? Is it guided by defensive realism, which presupposes an anarchic worldview but an aversion to adventurism and hostility to other states’ interests? Has it moved beyond realism and does it truly believe that its diplomatic interests have been fundamentally reshaped by globalization, mutual vulnerability, and cooperation through international organizations? Has the People’s Republic gone through an identity shift and are its preferences for cooperation the result of a deep internalization of values – or, as some say, the retrieval of traditional Chinese diplomatic norms – instead of coolheaded calculations about interests?

The current world order, Chinese officials typically explain, works according to what both defensive realism and liberalism prescribe: an anarchical system muted by interdependence. But a large number of scholars and diplomats seem genuinely convinced that the world has been moving further and adopted many of the traits that one finds in the optimistic variants of liberalism or constructivism. How many times did I hear Chinese experts or diplomats passionately claim that it was a sheer geopolitical and economic necessity for their country to move away from the primacy of crude realism, as costly counterbalancing or even containment would otherwise derail China’s growth. Yet, when one ripostes that the nascence of a harmonious world could prove a pipe dream, a moment of silent hesitance usually follows in such conversations.

This hesitance about the prospect of a harmonious world is also audible if one listens carefully to what Chinese leaders have to say about international politics. Policy papers and official statements showcase an almost fixed pattern in which the first part describes how China is working towards a fairer global order, but the other part, after a pronounced “however”, sketches out the numerous challenges that still lie ahead on the path of peaceful development: economic protectionism, American hegemony, traditional conflicts intermingling with non-traditional security threats, military build-up in Asia, monetary mismanagement causing instability, etc.

Overall, one can distinguish between four important ambivalences in China’s thinking of peaceful development. Firstly, there is a significant difference between how China sees the ideal world and how it perceives the global order in reality. The latter is still considered anarchic and unstable, with new wrangling for great power influence casting a gloomy shadow over the future. A stark contrast also exists between the emphasis on win-win relations and the persistent fixation with relative gains, implying that China still cares very much about, for instance, its military

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9 This section is based on my forthcoming book China’s coming war with Asia: Another rising power tragedy.
might measured to the capabilities of other Asian players – including Taiwan – and how strong its national industries become compared to Western, Japanese, or Korean companies. In the same vain, China’s passionate pleas for openness remain hard to reconcile with a strong sense of nationalism that often puts a break on economic liberalization or cooperation. Finally, China’s interest in multilateral cooperation is often held back by its fear of becoming entangled into organizations that are used by other countries to keep Chinese influence in check or to promote rules and norms, which China does not consider to be relevant, let alone endorse.

At this point one might find that these ambivalences demonstrate just how diplomacy remains an awkward balancing exercise and that it is “normal” for an emerging giant to harbour such concerns. Yet, did not the Chinese government put peaceful development forward exactly as an alternative to the “normal” trajectory of rising powers? Here we arrive at the crux of the problem: China pretends to rise in a different way, but its concerns and its strategic calculations about its environment and positioning are not that different at all. In the last few years it appeared even that the louder Chinese leaders preached harmony, the more outspoken the traditional traits of a rising power became: its efforts to build strong national industries, to strengthen its control over global communication chains, to defend its growing overseas interests, and to gear for countering possible balancing strategies of other countries.

Should we give the peaceful rise Chinese-style the benefit of the doubt, or do we need to prepare for its failure? I believe that Chinese leaders are sincere in the endeavour to pilot their vast country into the global order without causing major instability or hegemonic war. There is not much reason to doubt their calculation that peaceful development is the most effective way towards domestic prosperity and unity, and that any other trajectory is destined to cause havoc and despair. In other words: China will rise peacefully, or will not rise at all on the other hand, however, it would be unwise to assume that these leaders, their benign intentions and prudence notwithstanding, will be able to reconcile an increasingly volatile domestic environment with an international context that becomes less amicable to its rise.

Exit the harmonious world

A first challenge is the US pivot to Asia. As the US starts pulling troops out of Iraq and Afghanistan, China beckons as the next great security threat. After decades of patient prodding, Washington shows itself more

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willing to counter Chinese regional assertiveness and much less tolerant of the alleged lack of transparency in the People’s Liberation Army’s modernization or its unpredictable attitude towards territorial disputes in the East and South China Seas. I do not think it is valid to argue that the Chinese armed forces have become much more assertive in the last years: shadowing US Navy vessels, staging patrols around disputed islands, muscular statements after incidents, or retaliation against arms supplies to Taiwan have been permanent features of China’s military posturing. Beijing did show remarkable restraint in responding to the most recent American arms sales to Taiwan, new commotion in the East China Sea, and massive American exercises in its neighbourhood. More accurate is that America and several neighbouring countries have become aware that the PLA demonstrates improving capacity to deny access to parts of China’s maritime periphery. As a result, the US and Asian countries have become more determined to counter China’s military power, by ramping up their national military capabilities and building a network of military alliances around the People’s Republic. Hedging turns thus increasingly into balancing.

At least as important is that the global economic slowdown has made other markets much more wary of jobs, trade revenues, and the importance of technology for future growth. As the castles of credit in the West crumble, industrial development is now widely recognized as the long-term objective. But with wages being much higher than in China, Chinese workers becoming more productive, and global production chains having reoriented towards Asia, economic planners in the West recognize that getting some industry back will be very difficult. In absence of a clear roadmap for long-term economic growth, their political chiefs start becoming nervous and tend to grow more critical of China’s attempts to build competitive national industries. The slowdown is also having a negative impact on employment and incomes from the raw materials sector in developing countries. India and Brazil have made it crystal clear to Beijing that their social challenges are as pressing as China’s. Even smaller neighbours complain that China is forcing them into the awkward role of commodity supplier. Hence, at times of prosperity, China could get away with its excessive state support for industry and trade, but as a protracted period of stagnation becomes more likely, China’s gains are more likely to be seen as a loss to others.

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This is also having major repercussions for the use of multilateralism to deflect tensions. As the current world trade regime is not allowing other industrial countries to fully address what they perceive to be unfair competition from China, the big players tend more towards unilateral action against, for instance, Chinese indigenous innovation policies, government procurement regulation that favours domestic producers, cheap export credit, etc. While China originally considered the WTO an instrument of Western hegemony, Western officials increasingly find that China excessively benefitting from the fact that the WTO provides in openness for goods, but not for services and investment. This imbalanced WTO, it is argued, needs to be compensated by more unilateral initiatives or by encircling China by a web of more advanced trade agreements, with Washington’s reviving of the Trans-Pacific Partnership being the most dramatic example. In Beijing, numerous officials explained this phenomenon to me as free trade protectionism or economic containment. The same bg gb goes for monetary policies. Whereas the G20 was expected to facilitate monetary coordination among the main markets, its ineffectiveness leads European and American leaders to pressure China directly. At the same time, smaller Asian countries are less and less convinced that the ASEAN+3 formula – which includes China, Japan, and South Korea – is meeting their key economic and security concerns. Within several Southeast Asian countries dissatisfaction with the regional free trade agreement with China is growing, and so is their displeasure with the negotiations for a new code of conduct for the South China Sea. No wonder that they call increasingly on the West for back up against Chinese influence.

Conclusions

The uncertainty abroad comes at a critical moment in China’s domestic transition. As much as Western states sought to suppress the effects of losses in economic power, Beijing sought to accelerate its progress by manipulating markets and public expectations through massive government-financed investments. Overcapacity in manufacturing, real estate bubbles, unused public infrastructure, and bad debt piling once again up in Chinese banks, all reveal that the investment-driven growth of the last decade has run its course. While the government insists that it has put forward several policies to rebalance growth, in private, policy advisors admit that the correction from investment to consumption will be very hard to contrive without causing social unrest. They caution that it will take at least a decade to establish the fundamentals of a strong domestic market and that the bleak international outlook might slow down reform. The window of strategic opportunity is closing. The challenges ahead are more than just a bump in the road. The West and China face a lengthy
period of difficult adjustments and uncertainty. Even though all major economies look to industry, much more output is required to create the same social benefits. At the same time, the process that China has set in motion to modernize its military prowess will not grind to a halt. More new weapons systems will be introduced and allow it to venture into farther beyond its borders. The coming decade promises to become a period of important systemic adjustments – economically as well as militarily. Competition for prosperity and security becomes fiercer as leaders all over the world will be under pressure to stand strong.