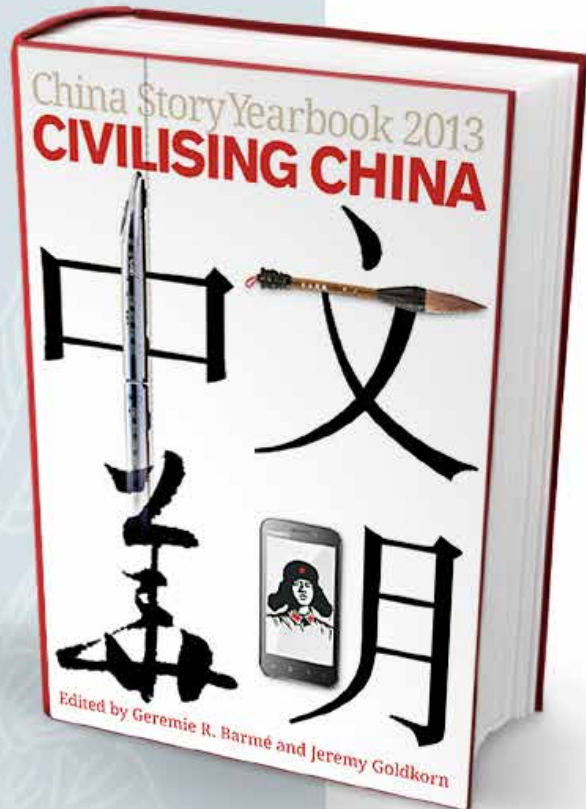


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CHAPTER 1

FOREIGN POLICY FOR A GLOBAL CHINA

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Excerpt from

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CIVILISING CHINA

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As China becomes wealthier and more confident on the global stage, it also expects to be respected and accommodated as a major global force — and as a formidable civilisation. Through a survey and analysis of China's regional posture, urban change, social activism and law, mores, the Internet, history and thought — in which the concept of 'civilising' plays a prominent role — *China Story Yearbook 2013* offers insights into the country today and its dreams for the future.



Chinese football fans, Guiyang, June 2011.
Source: ImagineChina

China Sea — and feared that Beijing and Tokyo did not have the diplomatic machinery in place to navigate such a crisis successfully.

Tensions deepened in January 2013, when Japan alleged that Chinese vessels had locked fire-control radar — a step preceding the firing of a missile — onto a Japanese destroyer and ship-based helicopter in two

separate incidents. It was unclear whether these incidents were part of a deliberate Chinese strategy or whether they reflected a lack of government coordination and had been initiated by lower-level officers. In a widely cited report published under the auspices of the Lowy Institute for International Policy, seasoned China-watcher Linda Jakobsen argued that Sino-Japanese tensions over islands in the East China Sea were dangerous precisely because domestic politics had distracted China's leaders, leaving open the potential for dangerous miscalculations to occur. Reports in February 2013 indicated that China's approach to the Diaoyu Islands alleviated these concerns somewhat.

Complicating this situation is the potential involvement of Taiwan — an equally flammable subject from Beijing's perspective, notwithstanding the diplomatic truce that has largely remained in place since Ma Ying-Jeou's election as President of Taiwan in March 2008. In January 2013, a Japanese Coast Guard vessel fired water cannons at a Taiwanese boat carrying activists intending to land on the Senkaku/Diaoyu Islands. In a similar episode involving the Philippines, another US ally, a diplomatic crisis erupted in May 2013 after a Taiwanese fisherman was shot dead by a Philippine law enforcement vessel in the disputed waters of the South China Sea.



A man holding an inflatable sign declaring that the Diaoyu Islands are Chinese sovereign territory, location unknown.
Source: ImagineChina

Responding to the 'US Pivot'?

Sino-Japanese frictions in the 2012–2013 period shined light on broader questions regarding the sustainability of the so-called US 'pivot' to Asia (the 'pivot' is a prominent foreign policy initiative, begun during the first term of the Obama administration, that involves a strategic 'rebalancing' of US attention away from Europe and the Middle East and towards East Asia). Most of the groundwork for this strategy was laid during the preceding twelve months. This included President Obama's November 2011 announcement in the Australian capital, Canberra, that up to 2,500 US marines would be rotated through facilities in the north of Australia, and Secretary of Defense Leon Panetta's statement at the June 2012 Shangri-la Dialogue in Singapore that the US would increase its naval presence in the Asia-Pacific.

International attention during 2011–2012 focused on these developments. Notwithstanding American denials to the contrary, many observers interpreted them as a direct response to rising China's growing assertiveness, discussed in the 2012 *Yearbook*. A major preoccupation of strategic commentators in 2012–2013 has been Beijing's response to the US pivot strategy. In July 2012, when China established the new city of Sansha in disputed waters of the South China Sea, for instance, Robert Manning of the Atlantic Council described this development as 'Beijing's Pivot'. Similarly, in November 2012, when China, Japan and South Korea agreed that they would be initiating trilateral Free Trade Agreement (FTA) negotiations, some commentators read this as Beijing's response to the Trans-Pacific Partnership that many Chinese analysts regard as the economic centrepiece of Washington's rebalancing strategy. An article published in the *Global Times* at the conclusion of the first round of FTA talks in March 2013 observed



Government building, Sansha city.
Source: Baidu Baike

that: ‘The TPP pact is seen as the US reasserting its influence in the region to counter China’s rising economic and political power’.

Responses such as these on the part of Beijing prompted some analysts to question the prudence of the US pivot strategy, with some going so far as to suggest that it has sparked a new and deepening Cold War between the US and China. Most famously, the Harvard and Boston College professor Robert Ross wrote in *Foreign Affairs* that:

... if Washington continues on its current path, Chinese resistance to US policies will inevitably increase, preventing bilateral cooperation on crucial issues from trade to global economic stability. The outbreak of hostilities in the region will become a real possibility, as China pushes back against the United States’ growing presence on its borders.

Fudan University professor Wu Xinbo agrees, observing that: ‘To some extent, it was the US pivot that caused China to give even higher priority and devote more resources to the region’. An annual report published (in Chinese) under the auspices of the Chinese Academy of Social Sciences, concludes with the observation that Beijing shouldn’t underestimate the capacity of the US to sustain its re-engagement in the region.

Overall, these developments certainly suggest the emergence of an action–reaction dynamic in the Sino–US relationship. As Lanxin Xiang suggests in the International Institute for Strategic Studies (IISS) journal *Survival*: ‘Obama’s “pivot” has merely produced a classic vicious cycle, where each side continuously misreads the other’s strategic mind, offering something the other side does not want ... or asking for something the other side cannot give’. This strongly suggests — in line with what Jakobsen and others have already argued — that Chinese foreign policy is predominantly reactive, not informed by any kind of larger grand design. It also supports the mounting speculation that the US pivot is increasingly unsustainable and could, ironically, have important and potentially positive ramifications for Sino–US relations.

Xi Jinping’s Foreign Policy

The re-election of President Obama occurred around the same time as China’s leadership transition. Addressing an IISS gathering in December 2012, Kevin Rudd made the case that the coincidence ‘presents a unique opportunity for the US and China to forge a new strategic roadmap capable of guiding us through many of the shoals that lie ahead for all of us’.

China’s once-in-a-decade leadership transition unfolded over a matter of months and against the backdrop of the Bo Xilai scandal (discussed elsewhere in this *Yearbook*). The groundwork for the transition was laid approximately five years earlier, when now President Xi Jinping and Premier Li Keqiang were elected to the Politburo Standing Committee, China’s paramount leadership body. It formally commenced in November 2012 when the Eighteenth National Congress of the Chinese Communist Party elected a new 205-person Central Committee, as well as a twenty-five-person Politburo and seven-member Standing Committee. Almost immediately following the Party Congress, Xi Jinping was named Head of the Central Military Commission. The instantaneous nature of Xi’s appointment contrasts significantly with that of his predecessor, Hu Jintao, who had to wait two years after becoming president to take formal command of the armed forces. In March 2013, Xi and Li became China’s president and premier respectively, completing the transition.

There have been hints that Xi Jinping’s foreign policy will follow an even harder-line patriotic or nationalistic trajectory than that which began with China’s so-called ‘assertive diplomacy’ in 2009. During a visit to the US before becoming president, for instance, Xi Jinping notably dispensed with the usual statements of ‘strengthening strategic trust’ and ‘smoothing over differences’ as key objectives in Sino–US relations. Instead, he introduced the phrase ‘control[ing] and manag[ing] any differences’. The respected China watcher David Shambaugh notes that, since becoming President, Xi has visited numerous military facilities. Embracing the rhetoric of a ‘strong nation and strong military’ mentality, he has called upon the People’s Liberation Army (PLA) to be prepared ‘to fight and win wars’. Consistent with this, Tsinghua’s Yan Xuetong predicts that ‘the first priority will be to put strategic

interests ahead of economic interests. Second, the administration will emphasise active involvement in international affairs and issues, rather than try to keep a distance from conflicts that are not directly related to China’.

Yet there is strong reason to believe there will be more continuity than change in Chinese foreign policy, at least during Xi’s initial five-year term. This is due to the influence of the formidable domestic and external constraints he faces. Internally, for instance, widespread anti-Japanese sentiment prevents China’s new leaders from deviating too far from their cur-

rent hardline stance towards Tokyo. As Fudan University professor Ren Xiao puts it: ‘when ordinary people with strong views on the Diaoyu issue are angry, no leader dares to be seen as “soft” toward Japan’. Externally, even as strategic distrust between China and the US intensifies, Beijing, like Washington, remains constrained by the high degree of their trade and financial interdependence. Speaking to a press conference at the Pacific Islands Forum in September 2012, for instance, Chinese Vice Foreign Minister Cui Tiankai explicitly rejected suggestions that China is intent upon competing with the

China and the BRICS

In 2001, Jim O’Neil, an economist at Goldman Sachs, coined the acronym BRIC. BRIC stands for Brazil, Russia, India and China — four large and fast-growing developing countries that epitomise the shift in global economic power away from the developed countries that dominated the last half of the twentieth century. The concept appealed to leaders of the four countries, and on 16 May 2008, their heads of state held a summit meeting in Russia. In 2010, the group invited South Africa to join, and South African president Jacob Zuma attended the first BRICS summit (now with an ‘S’) in China in April 2011.

The fifth BRICS summit took place on 26–27 March 2013 in South Africa. China’s new president Xi Jinping attended the meeting as part of his first overseas trip as head of state. He stopped in Moscow and Dar es Salaam before arriving in South Africa and visited the Republic of the Congo (Congo-Brazzaville) on his way back to China.

The theme of the fifth BRICS summit was ‘BRICS and Africa: Partnership for Development, Integration and Industrialisation’. This was the first time that the annual BRICS meeting took place in Africa, and it completed a full cycle of each of the five member countries having hosted a summit meeting. The event in Durban was also significant for the tentative steps taken towards creating BRICS institutions, including the creation of a BRICS Development Bank, an idea upon which the five leaders agreed ‘in principle’, although there is no consensus yet on how such a bank would be funded or operate.

Other initiatives discussed at the Durban summit included:

- a Contingent Reserve Agreement to pool foreign reserves to insulate members against global financial crises, with China contributing \$41 billion, Brazil, India and Russia \$18 billion each and South Africa \$5 billion
- a Multilateral Agreement on Co-operation and Co-financing for Sustainable Development between the development/export–import banks of each member country
- a Multilateral Agreement on Infrastructure Co-financing for Africa and another on Green Economy Co-financing.

Following the pattern of previous BRICS summits, the leaders’ meeting in Durban discussed a wide range of subjects but initiated few, if any, concrete measures. Nevertheless, the first ‘African summit’ was notable for its focus on how the BRICS nations can support African industrialisation.

BRIC/BRICS summits:

2009: Yekaterinburg, Russia (no theme)

2010: Brasilia, Brazil (no theme)

2011: Sanya, China: *Broad Vision and Shared Prosperity*

2012: Delhi, India: *BRICS Partnership for Global Stability, Security and Prosperity*

2013: Durban, South Africa: *BRICS and Africa: Partnership for Development, Integration and Industrialisation*

The next summit is scheduled to take place in Brazil in 2014.



The leaders of the BRICS countries.
Source: Wikimedia Commons

China–Africa Relations

In November 2006, Hu Jintao, then President of China, read out a declaration at the summit of the third Forum on China–Africa Cooperation (FOCAC) in Beijing. Flanked by dozens of African leaders, Hu announced both the creation of the China–Africa Development Fund to expand Chinese investment in Africa and more than US\$5 billion in concessionary loans to the continent. At the largest ever summit on African affairs held outside of Africa, China was presenting itself as a major economic partner for Africa. There have been two FOCAC summits since then: Egypt hosted the fourth in 2009 and the fifth again in Beijing in 2012.

On the face of it, the relationship between China and the nations of the African continent is based on a mutually beneficial economic exchange in which Chinese manufactured goods and investment are exchanged for African natural resources. Bilateral trade stood at just over US\$10 billion in 2000, the year of the first FOCAC meeting, held in Beijing. By 2012, this figure had rocketed to US\$198.5 billion, an increase of around nineteen percent on 2011 and far higher than the value of US–African trade, which was US\$108.9 billion in 2012. According to data cited by the independent Canadian think tank Global Research, China imports around 870,000 barrels of oil per day from Africa — a third of China's total oil imports. Angola is China's leading supplier of oil, the Democratic Republic of the Congo of cobalt and South Africa of manganese, chromium and platinum. South Africa is China's only African trade partner that also exports to China substantial amounts of manufactured goods.

Using conventional measurements of Outbound Foreign Direct Investment, Chinese investment in Africa is still far behind that of Western nations despite jumping from US\$100 million in 2003 to more than US\$12 billion in 2011. Yet, while investment from Europe and the US in Africa typically divides along the lines of private-sector direct investment on the one hand and Official Development Assistance (usually undertaken by the government sector with the goal of promoting welfare and development), China combines trade and investment with aid. Thus, China commonly makes use of natural resources-backed lines of credit; in other words, a Chinese policy bank like the Exim Bank uses preferential access to natural resources in Africa as collateral for infrastructure projects or as a means to repay loans.

A deal that China signed in the Democratic Republic of the Congo in 2001 set the tone for many more in the years to come: China would provide US\$280 million for dam construction and receive loan payments in oil. It concluded a similar deal in Angola in 2004 when Exim Bank provided US\$2 billion for the development of energy, telecommunications, railway and water infrastructure. As part of the repayment terms, Angola agreed to supply China with 10,000 barrels of oil per day. In a pattern that would be frequently repeated, one Chinese business was awarded contracts for the infrastructure projects, while rights for extracting natural resources accrued to another, a Chinese oil company. Following these agreements, Chinese contractors, extractors and other business people have flocked to Africa, extracting resources and building urban infrastructure, railways and mines. China constructed the grand 51,887-square-metre African Union headquarters in Addis Ababa, opened in January 2012, as a 'gift'.

Although the relationship is theoretically based on mutually beneficial exchanges, it has not been problem-free. For example, there have been labour disputes, including one particularly troubling instance in Zambia in 2010 when Chinese managers opened fire on their African workers. There have also been complaints in various African countries that some of the public buildings constructed by Chinese companies as part of resource deals have already started to crumble, and some African countries have grumbled about the large influx of Chinese labourers and business people. And clearly, not all Africans are enamoured by strong links with China. In an article in the *Financial Times* on 11 March 2013, Nigerian Central

Bank President Lamido Sanusi complained about the Sino–African trade relationship as being slanted in favour of China:

China takes our primary goods and sells us manufactured ones. This was also the essence of colonialism. Africa is now willingly opening itself to a new form of colonialism.



Chinese and African workers sit side by side.
Photo: Sam Seyffert

Sanusi derided China's relationship with Africa as carrying a 'whiff of colonialism', and concluded that Africa must see China for what it is: a competitor.

Xi Jinping proceeded to Africa on his first foreign diplomatic trip as President of China in March 2013, and delivered a policy speech on China–Africa relations in Dar es Salaam on 25 March in which he reaffirmed China's commitment to be a faithful and valuable partner for Africa. In private diplomatic discussions, such as that with the Congolese President, Xi Jinping reportedly also made veiled references to Sanusi's claims by assuring his host of China's good intentions in Africa. Nevertheless, Sanusi's broadside did apparently cause some distress among Chinese officials, at least those in Nigeria. Quoting unnamed 'diplomatic sources', the Nigerian newspaper *This Day* reported in April that Sanusi's article had elicited complaints and denials from Chinese diplomatic staff in the country, and reported that some 'indications' seemed to suggest that the Chinese government may have embarked on a comprehensive review of its 'business role' in Nigeria.

In July 2013, the South African Minister of Public Enterprises, Malusi Gigaba, also expressed doubts about China's role in Africa, although in a slightly less provocative fashion than Sanusi. Gigaba called for greater scrutiny of funding from China and other BRICS countries for infrastructure investment in Africa, and warned Africans not to 'sell our souls' to secure funding in a world where finance was becoming less available for infrastructure. In Gigaba's view, Chinese funding should not be refused but nor should it come at the expense of the development of African skills and manufacturing potential. Some Western commentators and politicians have also painted China as a neo-colonial overlord in Africa.

The following are some of the most noteworthy events involving China and Africa over the past twelve months:

- August 2012: Thirty-seven Chinese criminal suspects are arrested in Angola and extradited to China for crimes carried out against other Chinese nationals in Angola.
- March 2013: In his first foreign trip as President, Xi Jinping visits Tanzania, South Africa and the Republic of Congo, signing a number of trade deals.
- May 2013: The Chinese government offers to provide 500 troops to the United Nations to bolster the peacekeeping force deployed in Mali. China previously contributed almost 2,000 peacekeepers to other UN operations, but this offer marks the first time it has put forward its peacekeepers for a role that has a strong probability of involving military action.
- June 2013: Ghana deports 3,877 Chinese miners during a clampdown on illegal mining. The Chinese miners, hoping to take advantage of a gold rush, are blamed for security problems in mining regions.

China and Latin America

China's relationship with Latin America, like its relationship with Africa, represents an important aspect of the country's growing and more confident engagement with the developing world. As in Africa, China has vastly increased its trade and investment in Latin America, but the relationship stirs less controversy than do China's ties with Africa.

When China entered the World Trade Organization in 2003, annual trade between China and Latin America amounted to just US\$14.4 billion. By 2012, this had risen to US\$255.5 billion, which was also an eight percent increase on 2011. Sino-Latin American trade now grows faster than US trade with Latin America — which only increased 6.2 percent from 2011 to 2012 — although the volume of US trade with Latin America is still three times larger than that of China.

Latin American exports to China largely consist of raw materials such as oil (Venezuela), copper (Chile), iron ore (Brazil), and soybeans (Brazil and Argentina). Latin America, in turn, imports from China electronic items, equipment and machinery, auto parts and textiles. While there are parallels between the two, a significant difference between Sino-African and Sino-Latin American trade is that Latin America maintains a substantial trade deficit with China: US\$150 million in 2011 and blowing out to a full US\$6.6 billion in 2012. This illustrates how challenged Latin American manufacturers are in their home markets by Chinese imports. Over recent years, there have been sporadic protectionist moves in Latin America. For example, in September 2011, the Brazilian finance minister announced a thirty-point increase in the country's industrial product tax on imported cars in an attempt to stem the increasing flow of Chinese automobiles into the local market.

China's investment strategy in Latin America echoes its approach to Africa, although exact data is impossible to compile due to the fact that most Chinese investment in Latin America flows into tax havens such as the Cayman Islands and the British Virgin Islands. Nevertheless, according to the Economic Commission for Latin America and the Caribbean, as much as ninety percent of China's confirmed investments in Latin America up to 2011 were aimed at the extraction of natural resources. Other targeted sectors include the automotive, financial, and chemical. Figures released at the Fifth China-Latin America Business Summit (an approximate Latin American equivalent of the Forum on China-Africa Relations) claimed that by the end of 2011, China's total investment in the region was approximately US\$23 billion. Yet according to a dataset compiled by the conservative US-based think tank the Heritage Foundation, Latin America received only 3.9 percent of total Chinese investment in 2011–2012, with the vast majority of that going to Brazil.

Since 2010, China has attempted to diversify its investments in Latin America to include deals in the manufacturing, infrastructure and services sectors. The Chinese tech firms Huawei, ZTE and Lenovo have become prominent investors in Latin American telecommunications and electronics, but other companies are involved as well. In February 2010, for example, Sany Heavy Industry, one of China's largest construction equipment manufacturers, ploughed US\$200 million into a factory in the Brazilian state of São Paulo. The Chinese auto manufacturers Zhongxing, Geely and Changan have all established auto manufacturing plants in Mexico. And China's ZTE has started producing smartphones in Argentina together with local white goods manufacturer BGH, and plans to make tablet computers in Brazil.

In recent months, both US and Chinese leaders have toured Latin America. President Barack Obama visited Mexico and Costa Rica in May, and Vice President Joe Biden called in on Colombia, Trinidad and Tobago and Brazil. Just after Biden left the region, China's President Xi Jinping toured Trinidad and Tobago, Costa Rica and Mexico. An op-ed in the *China Daily* in June 2013 gloated:

During his visit to Latin America and the Caribbean, President Xi offered more than \$5.3 billion in financing, with few conditions attached, to its newfound Latin American friends Making available this financing comes on top of the already \$86 billion in financing provided by China to Latin American governments since 2003. Simply put, the US and the array of largely Western-dominated international financial institutions have been surpassed by China's financial strength Welcome to the brave new world!

A current point of contention is a controversial Chinese project in Nicaragua, where a Chinese company aims to build the 'Nicaragua Canal' — a proposed waterway through Nicaragua that would connect the Caribbean Sea and Atlantic Ocean with the Pacific Ocean. A newly registered Hong Kong company, HKND Group, was officially awarded the concession agreement in June giving it the rights to construct and manage the canal and associated projects for fifty years. HKND is led by Wang Jing, who runs the company Xinwei Telecom and denies any connection with the Chinese government. The massive US\$40 billion project gained approval from Nicaragua despite criticism from environmental groups and widespread scepticism about its economic viability. Once the project commences, it will take Chinese involvement in the region to a new height and, in the words of *China Daily*, usher in a brave new world.



Alicia Bárcena, executive secretary of Comisión Económica para América Latina y el Caribe (CEPAL), meeting with Vice Premier Hui Liangyu.
Source: CEPAL ONU

US in the South Pacific. The regional backlash in 2012–2013 from Japan, the Philippines, Vietnam and other Asian countries in response to Beijing's approach to territorial disputes and military modernisation might be seen as a further external constraint upon Chinese foreign policy.

A Charm Offensive

By the middle of 2013, there were indications that China's leaders were increasingly aware of the severe diplomatic damage caused by its assertive posture of recent years. Beijing may be on the cusp of initiating a new 'charm offensive'. Two examples support this hypothesis.

China has traditionally backed its longstanding North Korean ally in times of crisis, such as in the wake of the March 2010 *Cheonan* sinking where Beijing stridently opposed joint US–South Korean military exercises in waters adjacent to China. But there are signs that relations between Pyongyang and Beijing are fraying as the latter's patience wears thin in the face of the constant provocations from the North. Speaking at the opening ceremony of the Boao Forum for Asia in April 2013, Xi Jinping asserted in a statement widely interpreted as being directed at Pyongyang that 'no one should be allowed to throw a region and even the whole world into chaos for selfish gains'. Similarly, following North Korea's third nuclear test in February 2013, China supported a fresh set of United Nations sanctions (UN Security Council Resolution 2094) designed to punish Pyongyang. Of particular interest, according to statements issued by South Korean officials, Beijing has been performing uncharacteristically well in ensuring that these measures are implemented at the local government level.

A second example is the new 'strategic partnership' with China announced by then Australian Prime Minister, Julia Gillard in April 2013. Beijing reportedly offered a similar deal to Canberra during the tenure of the Howard government, which refused it. The partnership was allegedly prompted by a letter from Gillard to Xi in 2012 and followed up with a visit from her envoy, then Secretary of the Department of Foreign Affairs and Trade, Dennis Richardson. Gillard subsequently called Xi in the month prior to her visit. The agreement will see Australia's Prime Minister meet annually with the Chinese Premier, as well as separate annual dialogues between the two country's Foreign Ministers and Treasurers and 'working level' talks between the Australian Department of Defence and the People's Liberation Army addressing regional security issues.

However, there are, inevitably, many sides to every China story. Among the commentators who don't believe that such developments indicate any significant shift in Chinese foreign policy is Rowan Callick, the highly regarded Asia-Pacific editor of *The Australian* and the author of *Party Time: Who Runs China and How* (2013). Callick sees the 'strategic partnership' as nothing more than a Machiavellian ploy on Beijing's part to draw Canberra away from its longstanding strategic ally, the US. In his terms, 'this is a long-term strategy, which is easier for China's new leaders, who anticipate a ten-year term ahead, to conceive than the Australian government'. Similarly, sceptical analysts regard Beijing's current distance from North Korea as nothing more than a temporary, tactical gesture designed to rein in Pyongyang while deflecting American calls for Beijing to exert more forceful economic leverage against the North. From this perspective, North Korea's strategic importance as a buffer against American encirclement of China makes Pyongyang too precious for Beijing to consider abandoning — no matter how much of a liability it becomes.

China 2013: Civilised or Civiliser?

This chapter suggests that efforts by other powers to 'civilise' China's foreign relations have largely failed. Indeed, a strong case can be made that they have proven counter-productive. ASEAN attempts to 'civilise' Chinese foreign policy through the use of multilateral mechanisms, for example, have arguably prompted Beijing to make a concerted and largely successful effort to undermine that body. It could also be argued that the US pivot has produced a similar backlash from Beijing. Given that China has regarded itself as the very pinnacle of 'civilisation' for most of its 2,000-plus year history, this outcome should not be surprising.

At the same time, there's little evidence to support the proposition that China is emerging as a civilising force on the global stage. Its priorities remain focused quite close to home. As Yuan Peng of CICIR has observed:

In reality, China is not currently facing its greatest challenges, these challenges will arise in the next 5–10 years. These challenges will not come from the international scene or the Asian region, but instead will come from within; there will be a pressing need for internal reform or rectification of our social system. Real danger will not come from military confrontation or conflict, but instead will stem from the realms of the financial sector, society, the Internet and foreign affairs.

Evidence suggests that China remains quite a fragmented actor that is struggling to ‘civilise’ elements of its own foreign and national security machinery — particularly the military.

Internal Chinese debates on this subject have been lively. One concept being debated and discussed in intellectual circles is that of *Tianxia* — which translates literally as ‘All-Under-Heaven’ and has historically been used to connote both the country under the rule of a particular leader or power structure and the world at large. Developed by the philosopher Zhao Tingyang, and inspired by the model of the Zhou dynasty (1100–256 BC, tradition-



Flags of China and Brazil flying on Tiananmen Square.
Photo: Fernando Jácomo

ally considered an ideal polity), *Tianxia* theory discussed in the Introduction of this *Yearbook* and in the following Forum, envisages a completely new, more inclusive vision of global order that champions ‘the world’ as opposed to the ‘nation state’ as the central unit of global politics.

Without associating himself with Zhao’s work, Tsinghua’s Yan Xuetong reinforces the view that foreign policy in China is a highly contested issue:

Western countries wonder what kind of leadership China is going to provide. Actually, this is very strange for a Chinese policy maker: ‘wait a minute, our policy is that we won’t provide any leadership The question is: should China offer international norms? Should China take on international responsibility? Should China become the leader? Should China become a superpower? Before we discuss how we go about leading we must answer these questions.

In the final analysis, the 2012–2013 period has raised more questions that it has answered regarding China’s foreign policy approach and larger global role. Yan Xuetong’s observation suggests we could well be living with this reality for some time yet.

