

WHAT ARE THE MAIN SECURITY CHALLENGES CONFRONTING CHINESE FOREIGN POLICY TODAY? HOW EFFECTIVELY IS CHINA MANAGING THEM

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ABSTRACT

This analysis investigates the main security challenges confronting Chinese foreign policy today, and how effectively China is managing them. The essay is developed as follows: firstly, it addresses those aspects of Chinese foreign policy that are aimed at maintaining economic development, looking at how the country seeks to ensure trade and financial security through its role in international forums, and also the strategies it employs in order to ensure energy, resource and food security. Secondly, the more traditional security issues are addressed, looking at those aspects of foreign policy aimed at national unification, sovereignty and territorial security, the modernization of the military, and the challenges of a rising China and its relationship with the United States. Finally, a conclusion is drawn about how effectively China is managing its foreign policy.

Keywords: China. International Security. Foreign Policy.

I. INTRODUCTION

The People's Republic of China (PRC) is a continental country with an area of 9.6 million square kilometres and the largest population in the world. The reforms it has carried out since 1978 have led an intensive process of modernization in the Chinese economy, producing not only deep transformations in its society but also bringing about a new economic and political world order.

In the last 25 years China has had the highest economic growth in the world, with average growth of 10% per year. Its gross domestic product (GDP) was \$7.3 trillion in 2011, making it the second largest economy in the world.¹ According the International Monetary Fund (IMF), China's GDP per capita has grown by an annual average of 8% over the past 30 years, reaching \$8,395 in 2011.²

The World Bank estimates that China has been responsible for three quarters of the world's poverty reduction since 1978, lifting 400 million of its people above the poverty line of one dollar/day between 1990 and 2005. The country still contains extreme poverty and suffers from a high rate of inequality, however. China is seeking to build a 'harmonious society', so it will be essential to maintain economic growth in order

to continue poverty reduction and improve the general standard of living.

The modernization of China and its economic growth based on industrial production have presented new challenges for Chinese foreign policy, such as those of energy security, resource security and food security. The traditional security issues also are aggravated by the continental size of the country; increasing problems with more than fifty ethnic groups, and extensive borders (maritime and land). The main issues with regard to sovereignty arise from the separatist movements in Tibet and Xinjiang; border problems in the East and South China Sea; and the question of reunification with Taiwan.

China's rise to become a political and economic world power has been the focus of intense academic and political debate. Napoleon Bonaparte once said that "China is a sleeping giant; let her sleep, for when she wakes she will shake the world."³ The giant woke up in 1978 and is starting to stand up for herself. Power transition theory associates the rise of a new power with the decline of another, and states that the clash between rising and declining powers often ends in war. There exists, therefore, a 'China threat theory'⁴ with regard both to China's relations with its Asian neighbours and its relations with the United States and other developed countries.

China does not wish to be perceived as a threat, despite the fact that does not hide its long-term political strategy, which is to put the Chinese civilization back in a prominent position – recovering from the so-called 'century of humiliation',⁵ – but not necessarily to achieve hegemony in the international order. The terms 'peaceful rising' and 'peaceful development'⁶ express this reality, running counter to 'China threat theory'.

This analysis aims to investigate the main security challenges confronting Chinese foreign policy today, and how effectively China is managing them. The essay will be developed as follows: first, it will address

1. International Monetary Fund, www.imf.org/external/index.htm (accessed June 04, 2012).

2. Ibid.

3. Quoted in: Annika Linck, "Strengths and Weakness of a Rising China: What Will be China's Role in a Global Security Order?" *Juillet 2011*, www.ceri-sciences-po.org (accessed in 8 May 2012).

4. Kenneth Johnson, *China Strategic Culture: a perspective for the United States*, Carlise-PA: Strategic Studies institute (2009): 2.

5. Ibid., 6.

6. Ibid., 8.

those aspects of Chinese foreign policy that are aimed at maintaining economic development, looking at how the country seeks to ensure trade and financial security through its role in international forums; and also the strategies it employs in order to ensure energy security, resource security and food security. Second, the more traditional security issues will be addressed, looking at those aspects of foreign policy aimed at national unification, sovereignty security and territorial security; the modernization of the military; and the challenges of a rising China and its relationship with the US. A conclusion can then be drawn about how effectively China is managing its foreign policy.

2. BUILDING A DEVELOPED COUNTRY – ECONOMIC SECURITY

The strategic goal of China for 2049 is to become a medium developed country.⁷ To achieve this, important steps have been taken through the new economic model in place since 1978, aimed at achieving a particular kind of integration into the international economy – what the PRC's have called the 'socialist market economy'. Economic growth has supported the social policies and improved the standard of living of the Chinese population, making China a more stable country.

The priority of the Chinese government is always that of maintaining economic growth, based on industrial production. With its cheap labour force China has become the world's factory', the switch to industry creating more jobs than the previous rural system. Economic security, considered essential, is the underlying aim of two major aspects of China's foreign policy: first, its participation in different international organizations and forums, particularly related to consumer markets (trade security) and macroeconomic stability (financial security); and second, the purchase of commodities in order to ensure energy security and raw materials (resource security). Also linked to commodities is the purchase of food in order to ensure that the country's people – now 20% of the world's total population – have enough to eat (food security).

a) China's international trade policy

China has been required to adapt to international rules in order to sell its products in the consumer markets of the developed countries (particularly the European Union and the US), where purchasing power is greatest. It acceded to the World Trade Organization (WTO) in 2001 – a great step forward in its strategy of inserting itself into the global economy and achieving continued economic

modernization.

China has pursued the principle of multilateralism through its participation in an alphabet soup of international organizations and forums, both formal and informal, including the UN, WB, IMF, SCO, G20, BRICS, and 'ASEAN plus Three'. And no less important for China's international reach are the bilateral agreements it has signed with numerous countries, strengthening its diplomatic actions in international organizations.

As an alternative to the G7 group of developed economies which has sought to monopolize the regulation of the international market, China and other emerging countries such as Brazil, India, Turkey and Argentina have organized the G20, proposing a new forum for cooperation and consultation on the international financial system. Currently the G20 is the most important international economic forum for studying, reviewing and promoting discussion among key developed and emerging economies – which represents a victory not only for China but also for other developing countries.

Su Hsing Loh⁸ argues that China also welcomed the ideas of Western economists to achieve its global objectives, such as 'BRICS' and the 'ASEAN plus Three'. Denoting Brazil, Russia, India and China, BRICs is an acronym coined in 2001 by Jim O'Neill of Goldman Sachs which has since entered into popular usage. The grouping distinguishes the emerging powers predicted to become particularly important actors in the global economy – and was subsequently embraced by the four countries themselves and turned into a political association expressing the ideals of emerging countries. Later the group invited South Africa to join them, a development not foreseen by Jim O'Neill himself. Without the 'C' of China, however, the BRICS would have no reason to exist, because most of the economic power of the grouping comes from China. China has used the BRICS summits to 'call for a greater voice in the International Monetary Fund (IMF) and The World Bank'⁹

ASEAN is a free trade area comprising South Asian countries with a combined GDP that would be ranked as the ninth largest in the world, while the 'ASEAN plus three' is an important regional forum that coordinates cooperation between them and three East Asian countries, namely China, Japan and South Korea.¹⁰ There are negotiations aimed at making the ASEAN plus three a single free trade area, strategically leaving out the US, an important player in the region.

David Walgreen¹¹ affirms that Russia is another strategic partner for China, particularly since Vladimir Putin came to power. The two countries created the Shanghai Cooperation Organization (SCO) in 2002,

7. Zheng Bijian, "China's 'Peaceful Rise' to great Power Status," *Foreign Affairs* 84, No 5 (Sep/Oct 2005):2.

8. Su Hsing Loh, "China's Rhetoric of Peace," *The World Today* Chatham (November 2011):21.

9. Daniel Drezner, "Bad debts: Assessing China's Financial Influence in Great power Politics," *International Security* 34, No 2 (2009):7.

10. Yoichi Funabashi, "Forget Bretton Woods II: the role for U.S. – China – Japan Trilateralism," *The Washington Quarterly*, 32:2 (2009):12.

11. David Walgreen, "China in the Indian ocean region: Lessons in PRC Grand Strategy," *Comparative Strategy* 25, No 1 (2006):61.

a mutual-security and economic organization which also includes Kazakhstan, Tajikistan, Kyrgyzstan and Uzbekistan. Russia and Central Asia are rich in oil and gas, essential to Chinese development.

Also significant for China are bilateral agreements with countries that are important for its economy, be they with developed countries that represent huge markets for Chinese products, such as Japan and the US, or with commodity producers that export raw materials and energy resources, such as Australia, South Africa, Iran, Venezuela and Brazil.

After the financial crisis in East Asia (1997), China made a great effort to acquire sufficient currency reserves to allow an independent response in case of potential further crises. Its international reserves of foreign currencies amounted \$3.2 trillion in June 2011, the world's largest.¹² Today China has better financial security than in 1997, which can be verified by positive balances in the face of the instability of the international market in 2008 and the current crisis in the Eurozone.

China's investments in international markets are growing quickly, building financial ties and interdependence with other countries. For example it has about \$2.3 trillion of U.S. assets in September 2008, with approximately \$1.5 trillion invested in dollar-denominated debts,¹³ making it the largest foreign creditor of the U.S. public debt.

China also uses this to maintain its currency, the yuan, at a lower value against the dollar, increasing the competitiveness of its products in the international market. In 2009 the U.S. Treasury secretary Timothy Geithner complained that 'China was manipulating its currency.'¹⁴ However, China has since allowed the yuan to rise against the dollar (8% in the last two years) and the U.S. Treasury has declined to accuse the nation of manipulating the currency.¹⁵ The Chinese currency is still undervalued and its goods still have a very favourable international price.

a) Resource Security

The fact that the Chinese economic model is based on industrial growth and requires a large amount of energy and natural resources has led the country to create

strong ties with commodities producers, particularly in the last decade. Without restricting its purchases from its Asian neighbours China has expanded its network of suppliers in Africa, Latin America and the Middle East in order to ensure its energy and resource security. China imports oil from Angola, Iran, Venezuela, Libya, Sudan and South Sudan; iron from Brazil and Peru; and copper from Chile.

The logic behind Chinese demand for some agricultural commodities, such as soybeans from Argentina and Brazil, relates to food security. China depends on imports to feed its population and its capability to expand domestic production is very limited. In recent years China has used Chinese companies to invest in agricultural enterprises abroad and to buy fertile land in other countries as a strategy for controlling the production of food beyond its own borders – a new way of seeking to achieve agricultural self-sufficiency.¹⁶

The increase in the price of commodities on the international market is due to the quick rise in Chinese imports from several parts of the World. This phenomenon has formed the economic and indeed political basis of China's recent ties with many developing countries.

China has characterized its expansion of trade and investment in regions of the developing world as a partnership with mutual benefits – 'win-win'.¹⁷ This concept is particularly employed in the trade with Latin America, Africa and Southeast Asia. Chinese rhetoric has emphasized that there are mutual benefits because China is also a developing country, characterizing these relations as 'South-South'.¹⁸ An analysis of China's foreign policy in Latin America and Africa can be generalized for developing countries in other parts of the world.

The concept of 'South-South' interaction between China and Latin America presumes a relationship between a developing country (China) and a region of developing countries (Latin America) which is significantly different from the 'North-South' relationship between developed and developing countries (US/Europe-Latin America, for example) historically characterized by exploitation and inequality. Therefore, in the words of Matt Ferchen, "if China-Latin America economic and

12. Wayne Morrison and Marc Labonte, "China's Holdings of U.S. Securities: Implications for the U.S. Economy," Congressional Research Service, September 26 (2011) www.fas.org (accessed June 9, 2012).

13. Daniel Drezner, 12.

14. *Ibid.*, 37.

15. The New York Times, "Citing Gains, U.S. Doesn't Call China Currency Manipulator," May 25 (2012), www.nytimes.com (accessed June 5, 2012).

16. The largest Chinese state company in this sector, the China National Agricultural Development Group Corporation, operates in 40 countries and 10,000 of its 80,000 employees work abroad. The company has 6,000 hectares in Tanzania; established businesses in the food sector also in Guinea, Benin and Zambia; and has already entered Argentina and Peru. O Estado de S.Paulo, "China compra terras no Brasil," O Estado de S.Paulo, August 3 (2010), www.estadao.com.br (accessed May 5, 2012).

17. See also: Michael Glosny, "Heading Towards a Win-Win Future? Recent Developments in China's Policy Towards Southeast Asia," *Asian Security*, London, v.2, n.1, (2006):24-57.

18. See also: Monica Hirst, "A South-South perspective," in *China's Expansion in the Western Hemisphere: Implications for Latin América and United States*, eds R. Roet and G. Paz, (Washington-DC:Brookings, 2008).

19. Matt Ferchen, "China-Latin America Relations: Long-term Boon or Short-term Boom?" *The Chinese Journal of International Politics*, v4 (2011):69.

20. *Ibid.*, 71.

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political ties are South-South, the argument that they are therefore inherently also 'win-win' must be due to their more equal, non-exploitative and ultimately stable nature".¹⁹

However, Ferchen also says that the trade ties between Latin America and China show an 'asymmetric' nature, due to Chinese exports of manufactured goods producing more stability for China's growth than the exports of commodities, with low added value, for Latin America, so "the relationship has taken on a 'North-South' tone."²⁰

The relationship between China and African countries has a similar agenda, sharing the view that Western criticism seeks to delay the development of poorer countries. Both have a common history of European exploitation which makes them mistrustful of western criticisms of their domestic policies. After the China-Africa Forum held in Beijing in 2006,²¹ which attracted more than 40 heads of state from Africa, Chinese-African ties have developed quickly.

China has a non-interventionist foreign policy that avoids interference in other countries' domestic affairs, an approach more favourable to African countries than the policies of the western countries and of international organizations such as the IMF. Paulo Visentini²² argues that China provides loans with few requirements and without political questioning, while western countries and international organizations tend to impose conditions for loans such as restrictive economic adjustment, political and economic liberalization, and western models of management, all of which often compromise the governance of African states. Therefore African countries have tended to stop borrowing from the IMF, "have become more selective with Western aid, and above all, have developed a more assertive diplomacy."²³

A large number of Chinese companies have moved to Africa, investing particularly in infrastructure, an area often overlooked by traditional partners. These projects have created millions of jobs, although in many cases China has employed its own labour force and for this reason there have been some tensions. Projects in the areas of mining, oil exploration, logging and agriculture, involving huge investments and technical assistance, have changed the economic landscape of Africa.

Extremely cheap Chinese products have found unexpected space in Africa, which has emerged as something of an alternative market in the face of global financial crisis. However, the balance of trade between Africa and China remains similar to the

'South-South' or 'win-win' relationship seen with Latin America. Nevertheless, some economists argue that the relationship is nothing more than a kind of Chinese neo-imperialism,²⁴ and that the provision of loans without political-institutional conditions serves to sustain and encourage dictatorships.

Africa is home to many allies of China in the field of international relations, with many countries valuing their relationship with China both because of the supply of arms and the influence wielded by China as a permanent member of UN Security Council, where it is able to provide diplomatic support and veto interventionist initiatives in the continent.

These aspects are much criticized by western countries, particularly the Chinese relationship with the so-called 'rogue states' and other countries that have a history of disrespect for human rights. Visentini affirms that the western attitude is regarded with scepticism by the Chinese and many Africans, however, as behind it they perceive another attempt to prevent their socioeconomic development and to impose their subservience to the powers of the North.²⁵

The Chinese development model, its economic attractiveness, and the principles of peaceful coexistence – mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in the internal affairs of other states, equality and mutual benefit (win-win relationships) – are handled by Beijing as 'soft power' to manage their interests.

The impact of these elements – with Chinese characteristics – is known as the 'Beijing Consensus,'²⁶ something through which Beijing introduces a recipe for achieving development radically different from that proposed by the 'Washington Consensus'²⁷. Therefore, these elements have become an important vector of 'soft power' among developing countries.

The paradigm shift in how China is perceived – from weak and politically fragile, to strong – and its growing 'soft power' have led to the widespread acceptance of its influence in various regions of the world. China appears naturally as an alternative source of leadership to that offered by the United States and other Western countries.

3. LIVING IN A HARMONIOUS WORLD – TRADITION SECURITY ISSUES

In addition to the economic sphere, Chinese foreign policy is also dealing with great challenges related

21. Quangsheng Zhao and Guoli Liu, "The Challenges of a Rising China," *Journal of Strategic Studies* 30, No 4 & 5 (2007):606.

22. Paulo Visentini, "The New China and the International System," *Sociologia e Política* 19 (Nov 2011):140.

23. *Ibid.*, 141.

24. The Brazilian economist Delfim Netto is one of them. Matt Ferchen, 71.

25. Paulo Visentini, 140.

26. See also: Joshua Cooper Ramo, *The Beijing Consensus* (London: The Foreign Policy Centre, 2004).

27. The Washington Consensus was a set of measures and recommendations for Latin America, formulated in 1989 by economists from financial institutions located in Washington. John Williamson, "Did the Washington Consensus Fail?" *Outline of Remarks at CSIS*, (Washington-DC: Institute for International Economics, 2002).

to more traditional security issues such as sovereignty, regional security and global security. Chinese strategy on these issues uses the Confucian principle of 'harmony', associated with bilateral agreements and active participation in regional and international organizations. However, China has also developed 'hard power' to protect its borders and has wielded economic power to project its influence.

The main security challenges for China remain the question of unification with Taiwan; sovereignty issues regarding Tibet and Xinjiang; and border disputes with its neighbours, particularly in the South China Sea. But other, new security challenges have arisen with China's growing influence, specifically the natural clash with the superpower and the threats to Chinese companies abroad.

a) National Unification, Sovereignty and Territory Security

In order to build a harmonious society the issue of Chinese sovereignty – particularly national reunification – is considered non-negotiable. Using the principle 'one country, two systems', Beijing was able to reincorporate the last two colonial enclaves, Hong Kong and Macau, in 1997 and 1999 respectively. This symbolized of the end of the colonial era in Asia and coincided with the region's economic rise. Taiwan, however, remains the main reunification goal.

Beijing has used the same policy of 'one country, two systems' to press for peaceful unification with Taiwan. China has invested heavily there, such that 'economic interdependence between Taiwan and the mainland has become a fact of life'²⁸. The most recent elections consolidated a pro-Chinese trend, but Beijing does not rule out the use of force if necessary, as can be seen from the 2005 National Anti-Secession Law.²⁹

Taiwan is a sticking point between China and the United States, especially because the Americans support Taiwan's independence and help build up its military capabilities. In the diplomatic arena China has used its growing economic and cultural influence to apply pressure on its neighbours on this issue, although as Thomas Christensen points out, 'in the case of Taiwan contingencies, most regional actors have long wanted to avoid involvement in any case'.³⁰

The Chinese interest in regions such as Africa

and Latin America also takes on a political dimension. On the one hand, most countries that recognize Taiwan as a sovereign state are African or Latin American – but by strengthening ties with Africa and Latin America, Beijing seeks to reduce their support for Taipei in the international arena. Moreover, increasing cooperation with both regions gives China a greater number of supporters in international forums, particularly the UN, not only regarding Taiwan but also to block interference on the issues of Tibet, Xinjiang, and domestic human rights in general. It was a victory for China when the U.S. Department of State and the UN named the Uyghur separatist groups as terrorist organizations.

China has 14,500km of coastal borders, one of the longest land borders in the world, and a history of disputes with Japan, Vietnam and India. However, China has achieved a string of successes in foreign policy, ending disputes with its neighbours and proving political will to peacefully resolve the border problems with countries in East Asia and India. China has also sought to maintain political distance from Japan so as not to cause diplomatic incidents with this traditional rival, an important ally of the U.S. in East Asia.

The South China Sea is an important issue as China considers it a historical part of its territory. With three million square kilometres and 'a plethora of small islands, atolls, rocks and coral reefs, including the two main islands groupings of the Spratlys and Paracels',³¹ the area has strategic natural resources such as oil, gas and fish stocks. It is contested, however, with 'overlapping claims by Brunei, China, Malaysia, The Philippines, Taiwan and Vietnam'³².

There are also the interests of other countries – such as the US, which claims for free navigation using the international law of the sea.³³ Beijing strongly refuses to internationalize this issue and is looking for bilateral agreements in the region, but Sarah Reins argues that 'ASEAN members disagree with each other about how to handle which claims, and in what forum'.³⁴

Chinese diplomacy considers the South China Sea as an undisputable sovereign right and works to resolve the issue through negotiation, mainly regarding delimitation of the Economic Zone and the use of natural resources. Nevertheless, it has intensified the Navy presence in the region, and in the last two years the situation has become more confused by The Philippines'

28. Quangsheng, 605.

29. M. Taylor Fravel, "China's Search for a Military Power," *Washington Quarterly* 31, No 3 (2008):128.

30. Thomas Christensen, "Fostering Stability or Creating a Monster?" *International Security* 31, No 1 (2006):123.

31. Sarah Raine, "Beijing South China Sea Debate," *Survival: Global Politics Strategy*, 53:5, (2001):69.

32. *Ibid.*

33. The U.S. Secretary of State Hillary Clinton affirms that the United States has 'national interest in freedom of navigation, open access to Asia's maritime commons, and respect for international law in the South China Sea'. *The International Institute for Strategic Studies, Strategic Survey 2011: The Annual Review of World Affairs* (London: Routledge, 2011):355.

34. *Ibid.*, 76.

35. Vietnam, Viet Nam's Sovereignty: Over Hoang Sa and Truong Sa Archipelagoes, Hanoi: National Political Publishing House, 2012.

36. US\$ 143,0 Bn in 2011. SIPRI, "The 15 countries with the highest military expenditure in 2011," www.sipri.org (accessed June 4, 2012).

claim; by dissatisfaction on the part of Vietnam;³⁵ and by American pursuit of national interests in the region. It appears realistic, therefore, to predict that on this issue China will not achieve the solution it wants in the short term.

b) China as a Military Power

The People's Liberation Army (PLA) is another important instrument of Chinese foreign policy. The PLA has the world's largest number of troops (1.6 million), the second largest budget,³⁶ a nuclear capability, and a growing self-confidence towards potential rival forces that is widely accepted in a strongly nationalist country.

Defence spending has risen by nearly 200% since 2001, and the PLA has developed new units and capabilities, especially in the Navy and Air Force. Fravel Taylor considers that PLA has modernized its forces "to achieve its strategic goals by strengthening or developing three general military capabilities: internal control, area denial around its periphery [Asian Continent], and limited regional force projection".³⁷

China has developed a strong relationship with Russia and has become a great buyer of Russian high-tech weapons such as nuclear submarines and fighter aircraft.³⁸ In addition to acquiring foreign equipment, much of the Chinese spending is focused on the development of its own military technology, as demonstrated by the anti-satellite missile test of 2007; the launch of an aircraft carrier in 2011; and production of medium and long-range ballistic missiles.

China has tried to convince other countries that the PLA's modernization is not a threat to the region, using the arguments that its military posture is defensive and non-expansionist – but this is not the perception of the U.S., Japan, or other East Asian neighbours. Instability might therefore increase in the region, with possible competition in military spending based on mistrust, suspicion, and spirals of tension. Japan has sought to develop its military capabilities, and U.S. Defence Secretary Leon Panetta recently indicated that in the near future American military capabilities will be deployed to a greater extent in East Asia than in the Middle East or Central Asia.³⁹

c) China as a Military Power

Since the end of the Cold War the U.S. has reigned as the world's only superpower. The phenomenon of rising China and the forecast that China's GDP will overtake the U.S.'s by 2050 has created anxiety among policymakers and scholars. The current strategic debate presents conflicting point of views about future clashes between these countries.

The defensive realism of Kenneth N. Waltz argues that 'the actions and reactions of China, Japan and North Korea, with or without U.S. participation, are creating a new balance of power in East Asia, which is becoming part of the new balance of power in the world.'⁴⁰ In contrast

John Mearsheimer advocates offensive realism, affirming that 'if China becomes an economic powerhouse, it will almost certainly translate its economic might into military power. In short, China and the U.S. are destined to be adversaries as China's power grows.'⁴¹ On the other hand, the realist strategist Zbigniew Brzezinski does not see the Sino-American conflict as inevitable because 'China's leadership is not inclined to challenge the U.S. militarily, and its focus remains on economic development and winning acceptance as a great power.'⁴²

David Walgreen agrees with other analysts 'that China's long term goal is to achieve a degree of power and status that enables it to act outside the constraints of U.S. hegemony in the international system'.⁴³ He also argues that obtaining this 'freedom of action will allow China to pursue both its regional goals (including the reacquisition of Taiwan and consolidation of the South China Sea).'⁴⁴

Harry Kissinger argues "that even when China's GDP is equal to that of the United States, it will need to be distributed over a population that is four times as large, aging, and engaged in complex domestic transformations occasioned by China's growth and urbanization. The practical consequence is that a great deal of China's energy will still be devoted to domestic needs."⁴⁵

According to Gallup's 2011 World Affairs poll, Americans rated China their second-greatest 'enemy', after Iran.⁴⁶ In fact, the perception of American society seems strongly to influence the 'China Threat' in the current U.S. National Security Strategy.⁴⁷ The Obama government considers the Asian-Pacific region as key in U.S. foreign policy and has developed the so-called 'Pivot strategy'.

Secretary of State Hillary Clinton highlights the American strategy with six line actions to achieve its aim in the region: first, strengthening bilateral security alliances (Japan, South Korea, Australia, the Philippines, and Thailand); second, deepening the working relationship with emerging powers, including China; third, engaging with multilateral institutions; fourth, expanding trade and investment; fifth, forging a broad-based military presence; and finally, advancing democracy and human rights.⁴⁸ Thus the U.S. gives evidence of a strategy to contain China as a Great Power.

When the U.S. launched a massive intervention in Central Asia and the Middle East due to the "war on terror", Chinese interests in these regions were seriously affected; then the Chinese occupied economic and political spaces that the United States left in Africa, Southeast Asia and Latin America, avoiding friction with the U.S.

Chinese foreign policy has focused on destroying the image presented in 'China Threat Theory.' China presents itself as a regional power with global influence; not looking for hegemony, indeed opposing any kind of hegemony (such as that of the U.S.); and working for multilateralism and 'win-win' relationships. Specifically

regarding the U.S., Chinese rhetoric preaches a relationship based on mutual respect and cooperation, based mainly on economic interdependence.

There are, in fact, strong economic ties in the Sino-American relationship. China today is a great motor that boosts the world's economy, and an armed conflict or reduction of its economic activity would be catastrophic for the world, including the U.S.. However, this interdependence does not eliminate the commercial and political differences between the two countries, which have tended to escalate with China's rise. 'America and other powers continue to be suspicious about [Chinese] strategic intentions' and its 'peaceful development'.¹⁴⁹

4. CONCLUSION

Since China began its process of opening up and accelerated economic growth, the Asian giant has behaved discreetly in the international environment. However, there are signs that Beijing is rethinking its attitude, either willingly or because the international environment has forced it to. China is a pragmatic nation which moves according to its economic and political interests, and in fact, 'internal development still takes [its] priority'.¹⁵⁰

With the main goal of sustaining economic growth, China has developed a pragmatic and aggressive foreign policy based on multilateralism and its participation in many different organizations and international forums. Thus, China has acquired more strength to defend its interests with traditional customers and to influence the drawing up of international rules.

China has sought to address its great need for energy resources and other commodities not only in its dealings with its neighbours but also with new partners in Africa, Latin America and the Middle East which previously had links only with the U.S. and other western countries. Its search for resources has raised the price of commodities in the international market, being welcomed by the producers and displeasing the traditional trading costumers.

Chinese imports work as the grassroots of its relationship not only with neighbouring countries, as a regional player, but in different parts of the world as a global player. New consumer markets for Chinese products have been emerging with partners rich in commodities, where the 'South-South' and 'win-win' rhetoric is reinforced with cheap finance and huge investments in infrastructure that has promoted development in these countries.

However, although Chinese rhetoric characterizes this relationship as complementary and mutually beneficial, for developing countries seeking to be more than commodities exporters they may in fact be considered 'asymmetric' and close to the historically standards of 'North-South' relations.

According Visentini,⁵¹ the weapon supplies and the support in the U.N. Security Council of the African states' interests have raised the self-confidence of a continent that no longer feels abandoned. "That is what Brussels, Washington and non-governmental organizations have difficulty understanding. For African nations it represents economic decolonization and the valuing of their role in the international scene."⁵²

If China's policy ensures economic security through the supply of energy, natural resources and food, in supporting controversial regimes there is nevertheless a risk of damage to China's international reputation and the birth of anti-Chinese movements. If states supported by Chinese policy were to fail, supplies would be disrupted and Chinese companies might become the targets of terrorist attacks by groups resentful of Chinese enterprises.

However, the role of China in the U.N. Security Council, and its funding, are welcome in the developing world and at present the balance is positive for China, mainly in Africa but not least in Southeast Asia, the Middle East, Central Asia and Latin America. Indeed, China is a global player whose economic growth is of great benefit to the world economy. The partnerships China has established, especially in Africa, are not merely a conjectural relationship but an irreversible trend. Finally, all these diplomatic manoeuvres and the Chinese presence in different parts of the world contribute to consolidate China as a great global power.

Chinese diplomacy mainly uses 'soft power' – the ability to influence through persuasion, not coercion – which, combined with its 'economic power', is the main tool of foreign policy. However, the great challenges of reunification and the resolution of disputes on its borders, particularly the South China Sea, provide evidence that these issues will need a long-term approach. China has thus pursued the modernization of its armed forces, has acquired 'hard power', which signals a transition from a foreign policy based on 'soft power' to 'smart power' in the future.

With the second largest economy in the world, the question is whether China will be able to replace the United States as a new superpower. The military and economic distance that separates the two countries remains huge. The Sino-American economic and political relationship contains deep contradictions; in the last ten years China has avoided direct friction with the U.S., avoiding its areas of influence and controversial issues. However, China is beginning to show evidence that it is seeking a more pro-active posture in the international arena, challenging American leadership. The development of greater economic influence and the acquisition of denial military power are some of them.

Beijing's policies in the South China Sea, its

relationship with 'rogue states' and the expansion of its influence in Africa and Latin America all make the U.S. uneasy, and Washington has indicated that it does not intend to stand idly by if China expands into areas where the U.S. has strategic interests and important allies.

Overall, however, it is certainly the case that China is taking on the attributes of a medium developed country with a multilateral and comprehensive agenda in the political and economic arenas. This seems to herald a move beyond the era when China was struggling to regain its development and sovereignty, to a new stage where it begins to transform the international political and economic system.

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