Crouching tiger hidden dragon: Which will it be?

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As China's star rises, attitudes to the new global superpower range from fearful to hopeful. Are we looking at the end of the world as we have known it, or will the Middle Kingdom redefine the market economy and democracy in its own image? A distinguished Estonian academic argues the toss.

Ours is an age of complexity and unpredictability in stark contrast to the recent Cold War period of relative simplicity and certainty. This remains true even though we now know this bipolar world concealed and suppressed underlying complexities. In a way, the two competing ideologies – liberal-democratic capitalism and communism – imposed a simplistic blueprint on the world and managed, however briefly, to squeeze the world into a Procrustian bed formed of these competing ideologies. As a result, this period can be characterized as the triumph of ideas over reality, a thought that may go some way to explaining why this period was comparatively short.

One current world trend is towards the formation of a multipolar international system where existing and emerging poles cooperate and compete with each other in various spheres and regions. Depending on the sphere of action or the region, these poles may include different actors. However, in all analyses of current trends and possible scenarios for the future – which for the lack of a better methodology are usually extrapolations from the present – two actors, the United States of America and the Peoples Republic of China, are present in practically all spheres and in most geographical regions. As the world’s two major poles, they have come to stand for the two opposing worlds of “West” and “East”, and the main competing – or possibly complementary – visions of the future. With the caveat that such an approach is itself somewhat over-simplified since it cannot take account of such variables as the impact of Islam, challenges of climate change, food, water and energy shortages, and demographic problems, let us consider how the peaceful rise of China may affect the most populous country on our planet as well as the rest of the world.

Taking the long view

A couple of years ago I had a long conversation with the director of Shanghai’s Institute
for International Studies, Dr Yang Jiemian. Although I was a professor at King’s College, London at the time, Dr Yang, who was evidently familiar with my background, asked me about Estonia, its foreign policy priorities, investment potential and so on. His interest in our small country was in marked contrast to that of my western counterparts, who frequently spent more time discussing matters related to our big neighbour Russia than Estonian problems. Dr Yang’s interest in Estonia was dictated not only by his desire to be polite towards a native Estonian, but also by the fact that for the world’s most populous country and rising global power, even small details are significant. In that respect, China is somewhat different from the United States or Russia, both of which are so impatient to achieve their goals that they often ignore the detail in which the devil resides. In this respect as in others, Russia, like the US, is part of the West, a European outpost, though a very special one.

It was pragmatic Deng Xiaoping who, after the Tiananmen tragedy in 1989, when China was ostracized by the West, called his countrymen to “observe developments soberly, maintain our position, meet challenges calmly, hide our capacities and bide our time, remain free of ambition, never claim leadership”. [1] Although only two decades have passed since 1989 the world of 2010 belongs to a new millennium and a different political dispensation. The balance of power has shifted dramatically at least twice: from a bipolar system through a unipolar moment to a new balance of power where China is number two but rising fast. Is Deng’s advice still valid? Is this a moment for the crouching tiger or will the dragon remain hidden?

**China’s rise and the changing balance of power**

Goldman Sachs predicts that China’s economy will become the world’s largest around 2027; by 2050, the three largest economies in the world will be China out in front, with the US and India running neck and neck in second place; Brazil, Mexico, Russia and Indonesia make up the rest of the front runners. [2] Given these forecasts, it is no surprise that the US National Intelligence Council Report of November 2008 predicted the emergence by 2025 of a “multipolar world without multilateralism” [3] where “the wealth is moving not just from West to East but is concentrating more under state control”, [4] where “we are unlikely to see an overarching, comprehensive, unitary approach to global governance”, where “strategic rivalries are likely to revolve around trade, investment, technology innovation, and acquisition”, and where “increasing worries about resources – such as energy and water – could easily put the focus back on territorial disputes or unresolved border issues”. [5] The current world economic and financial crisis has accelerated some of these trends.

This new world would be quite different from the relative simplicity and nuclear-based stability of the bipolar Cold War world, as from the brief period of US dominance that followed it. Given the number and variety of actors across the world, the emergence of new centres of power, the exacerbation of existing problems – terrorism, poverty, environment, food and energy shortages – and the surfacing of new and as yet unknown challenges, this would constitute one of the most complex international systems ever to have existed. Besides formal institutions such as the United Nations, NATO, OSCE and many others, there are informal but potentially more influential bodies such as the G20, BRIC or even G2 emerging. In all of them, China’s role is prominent and indispensable. What might such transformation mean for China and for the world?
Modernizing China

As China becomes economically ever stronger, experts argue over whether the world’s most populous country will (or will have to) become more democratic and liberal, more like developed western societies, or whether it will modernize but borrow from the West only those features that suit Beijing while retaining and developing its specific Asian or Chinese characteristics. Will Hutton made the first point somewhat bluntly four years ago:

The general argument [...] is that if the next century is going to be Chinese, it will be only because China embraces the economic and political pluralism of the West in general, and our Enlightenment institutions in particular, modified, of course, for the Chinese experience. [6]

Kishore Mahbubani, however, argues that:

The West had actually triumphed [in the Cold War with the Soviet Union] because of the strength of its economic system – free market economics – and not because of its political system [...] In contrast to Gorbachev, Deng Xiaoping well understood the real sources of western strength and power. He had no illusion that western values were responsible for western success. [7]

Israeli strategist Azar Gat emphasizes that:

A possible ideology for China would emphasize Chinese ways, incorporate Confucian values of meritocratic-technocratic hierarchy, public service, social harmony, and be presented as a contrast to liberal divisiveness and individual irresponsibility. [8]

The truth, as so often, is probably somewhere in between. Yang Yao observes: “ultimately, there is no alternative to greater democratization if the CCP wishes to encourage economic growth and maintain social stability”. [9] But that “ultimately” may be better reached through a gradual process rather than through some form of “shock therapy”. As Randall Peerenboom writes:

Not everyone assigns the same value to civil and political freedoms relative to social order. Social order ranks much higher in the normative hierarchy of most Chinese than it does in the normative hierarchy of many westerners, in part because stability is precarious in China. The consequences of instability for China, the region, and the world would be severe. Adopting this measure virtually assures a wide margin of deference to restrictions in the name of public order. [10]

Though they will no doubt share some general principles, there is no question that China’s democracy will be quite different from the western-style liberal democracy of the
US and Europe.

China will gradually become more open politically as well as economically. There is a correlation between economic development and market freedom on the one hand, and personal and political liberty on the other. Reaching a happy balance between these is a long-term project; it would be wrong and dangerous to hasten the process. In the short term, it may even be necessary for the sake of economic development and social stability to curb personal and political liberties. Former mayor of Shanghai Xu Kuangdi is reported as arguing that this is all part of the plan: “Let’s look at our neighbouring Asian countries,” he says, “South Korea: its peak development speed was under military rule [...] Indonesia was successful during the reign of Suharto but has recently faced stalemate and difficulties.” The reason democracy is an obstacle to economic progress, Xu continues, is that:

The poor people want to divide the property of the rich people [...] If we Chinese copied the direct election system today, people will say, ‘I want everyone to have a good job’. Someone else will say, ‘I will divide the property of the rich people among the poor people,’ and he will be elected. It is useless: parity will not solve the problem of economic development. That is why we are taking a gradual and step-by-step approach in reform. As Mr Deng said, we will cross the river by touching the stones. We will not get ourselves drowned, and we will cross the river. [11]

In that respect, it is important to note that what was going on in Tiananmen Square in 1989 was not the suppression of the shoots of Chinese democracy but a crucial choice between alternatives: on the one hand political “shock therapy”, which could have ended with the country in turmoil and free fall; on the other, the continuation of painful economic reforms that would have been impossible to carry out by democratic means. Amy Chua, analysing cases of the simultaneous spread of democracy and free market practices to the non-western world, exaggerates only slightly when she asserts that “the global spread of free market democracy has thus been a principal, aggravating cause of ethnic instability and violence throughout the non-western world”. [12] Further, as some experts note, [13] if one wishes to discuss the prospects for democracy in China, one must not compare today’s China with the likes of Sweden or Finland, but the China of yesterday. Mahbubani rightly observes that many western commentators “cannot see beyond the lack of a democratic political system. They miss the massive democratization of the human spirit that is taking place in China”. [14]

Hutton is also wrong in his belief that “democratizing countries are less vulnerable to both internal and external conflicts”. [15] The truth is usually the opposite: only mature democracies are intrinsically more stable; democratizing countries have to go through the so-called “J-Curve”, a graphic tool applied in political science to explain the nature and causes of the difficulties and pitfalls inherent in the process of transition from closed to open societies. It illustrates the hazards of transforming regimes from authoritarian or totalitarian to democratic; some of them may not even survive the process. [16]

In today’s world, even in a small African country, concern with instability may not be confined to that country or region. Hence the West’s intervention in civil wars in Liberia
and Sierra Leone in the 1990s. Instability in China will send shockwaves around the world; outside intervention to restore stability will have a negative effect not only in China and its neighbours but in the entire world.

Adherents of democratic peace theories assert that democracies do not fight wars against each other; the expansion of democracy consequently increases the zone of peace and diminishes the zone of war and conflict. [17] However, others have argued even more convincingly that though it may be true that mature liberal democracies have not fought wars against each other, historical evidence from the past 200 years shows that in the process of opening up, authoritarian countries become more, not less, bellicose: either they fight wars with other states or their internal disturbances spill over and drag other countries into their domestic conflicts. [18] This is a result of the general threat of instability in the process of transition, plus the more specific threat of the rise of nationalism or religious extremism that often accompanies democratization.

However, if we allow ourselves to fantasize for a moment that most countries, including major powers such as China, India and Russia, will eventually be democracies, we have to ask the following: will such a world be free of major tensions and conflicts? Probably not, and the reason is not simply that competition for energy resources, food, water and many other scarcities will remain. We need to pose a further question: who will lay down the law in such a “democratic paradise”. The future of the world will depend on many factors, among them the rest of the world’s reaction to China’s rise, particularly that of Washington and its allies and how Beijing chooses to use its growing power?

**World reaction to the rise of China**

Since the late 1970s, when Deng Xiaoping’s economic reforms started, China’s economic development has accelerated; even the world financial and economic crisis of 2007-2009 only slowed down GDP growth to the level that for most of the world’s economies would have been a godsend. China’s military expenditure, though in absolute terms well below that of the US, as a percentage of GDP is today one of the world’s highest. Not since the voyages to distant parts of the fifteenth century Ming dynasty Admiral Zheng He has Beijing been so active on the world stage. Though China has been mainly interested in securing mineral and energy resources, Beijing is also helping African countries to build their infrastructures as well as developing special trade and economic cooperation zones. China’s loan terms also tend to be more advantageous than those of western companies. [19] As Deborah Brautigam concludes: “westerners support government and democracy, the Chinese build roads and dams”. [20] Beijing has also activated what Joshua Kurlantzick calls its ”charm-offensive”. He observes that “polls show that people in Africa and Latin America have more positive feelings toward China than toward the United States” [21] and a 2005 BBC poll carried out in 22 countries across several continents found that China plays a more positive role in the world than the US. [22]

This has set alarm-bells ringing in the West as well as raising concerns among some of China’s neighbours, such as Russia and Kazakhstan. US historian Arthur Herman, though his vitriol is directed more against the Democrats than China, is hysterical: “By their carelessness, Congress and the Obama administration are steadily handing over control of America’s economic and financial future to a handful of Chinese officials and generals in Beijing”. [23] Asia’s other rising star, India, which has had strained relations with its
northern neighbour, is also worried: “as China’s and India’s economies continue to grow, the two countries will vie for greater influence, competing for both markets and resources”. [24] But China’s rise is met with as much enthusiasm as fear: neighbours may be alarmed by its growing might, but there is greater enthusiasm on other continents. However, even those who dislike China or are afraid and envious of it have to wish it well since without China the current crisis would have been far more serious and long-term economic perspectives even bleaker.

How will Washington and Beijing behave as their relative positions change? One positive factor may be that because China and the US are economically and financially so interlocked, one cannot seriously hurt the other without suffering itself. However, in his desire to attack both Obama and China, Herman is more alarmist: “Today, some experts argue that rational self-interest will prevent China from waging this kind of economic warfare, because crippling the US would also severely wound its own economy. However, on an issue like Taiwan or Japan, rational judgment can take a backseat to national pride, and the desire to reverse old humiliations”. [25] It is not clear why Herman refers to Japan but it seems pretty certain that a stronger China will react even more forcefully to any attempts to test Beijing’s position on issues the country’s leadership and the Chinese people consider “non-negotiables”: the status of Taiwan, Tibet and Xingjian as integral parts of China. Any serious challenge on these will guarantee a strong reaction from Beijing. Moreover, as US experts Graham Fuller and Frederick Starr write: “It would be unrealistic to rule out categorically American willingness to play the ‘Uighur card’ as a means of exerting pressure on China in the event of some future crisis or confrontation”. [26] Charles Horner also believes that “China’s problems in Xingjian cannot but become a temptation for the United States if a future deterioration in Sino-American relations focuses attention on China’s most deeply-seated structural weaknesses”. [27] The same considerations apply to Tibet.

Many in Washington see the US trade deficit and dependence on Chinese credit as a national security problem, rather than an economic predicament. China, which emerged fairly unscathed from the global recession, clearly considers itself to be on a roll. One Chinese official was reported to have told the *The Times*: “We used to see the US as our teacher but now we realize that our teacher keeps making mistakes and we’ve decided to quit the class. Market capitalism is so yesterday, state capitalism so now. A new role model for the developing world: state, authoritarian capitalism.” [28] Even before the world financial and economic crisis of 2007-2009, some experts had argued that so-called authoritarian capitalism might be a workable alternative model of development for liberal-democracies. Azar Gat, for example, observes that “authoritarian capitalist states, today exemplified by China and Russia, may present a viable alternative path to modernity, which in turn suggests that there is nothing inevitable about liberal democracy’s ultimate victory – or future dominance”. [29] The current crisis that started in the liberal-democratic West and spread across the world but affected China less than any other country gives additional weight to the thought that not only are there other ways of modernization and development, but that if they are to continue to prosper, liberal democracies may have to learn from China. In an article with the intriguing title “We need new capitalism to take on China”, UK journalist and economist Anatole Kaletsky writes:

As a leading US diplomat told me: Since the crisis, developing countries have lost
interest in the old Washington consensus that promoted democracy and liberal economics. Wherever I go in the world, governments and business leaders talk about the new Beijing consensus – the Chinese route to prosperity and power. The West must come up with a new model of capitalism that’s consistent with our political values. Either we reinvent ourselves or we will lose. [30]

And he concludes: “If the West isn’t to slide into irrelevance, governments must be much more active in taking control of the economy.”

The end of the Cold War and the collapse of the Soviet Union were followed by the emergence of dozens of small- or medium-sized new states, many of which, almost by default, chose western-style liberal democracy and the free market. Politically they jumped on the bandwagon and joined the stronger, victorious side: having shed Moscow’s domination, they naturally opted for western institutions and values. This may have given additional grounds for the belief that the whole world would eventually become westernized and adopt the triumphant liberal-democratic free market model. However, this was not to be the case. Yeltsin’s Russia attempted to follow the western route and failed miserably; China never tried. Moreover, having seen what had happened to the Soviet Union and Russia, Beijing became even firmer in its resolve not to repeat the Soviet experience.

John Ikenberry takes a relatively optimistic view of China’s rise. However, his vision is to a great extent premised on the assumption that unlike all earlier international systems, which were dominated by a single power that was always sooner or later forced to give up its leadership to a new power, the US has purposefully built up a worldwide system of international liberal-democratic capitalist states that is “hard to overturn and easy to join”. [31] This Hegelian, Marxist or Fukuyaman “the-end-of-history-and-the-last-man” vision of the evolution of the world towards a final universal model is, like all such projects, be they headed towards a worldwide Christendom, Islamic Caliphate, communist paradise or liberal-democratic free-market capitalism, doomed. The world is simply too big, too complex and too diverse to be governed from one centre or to evolve in a single direction. Moreover, the absence of competing models of development would inevitably lead to stagnation.

**Convergence and diversity**

Many China watchers have expressed positive views on the impact of China’s emergence on the world stage. Writing in the US weekly *The Nation*, Christopher Hayes says:

> We tend to view China as posing an alternative and threatening model for the future, one that’s by turns seductive and repulsive, the source of envy and contempt. But after a while I wondered if we aren’t in some way converging with our supposed rival […] Perhaps we are moving toward the same end from a democratic direction, the roiling public debate and political polarization obscuring the fact that power and money continue to collect and pool among an elite that increasingly views itself as besieged on all sides by a restive and ungrateful populace. [32]
Martin Jacques recognizes that: “an important characteristic of all Asian modernities, including Japan’s, is their hybrid nature, the combination of different elements, indigenous and foreign […] we have moved from the era of either/or to one characterized by hybridity”. [33] David Brooks is also optimistic: “The rise of China isn’t only an economic event. It’s a cultural one. The ideal of a harmonious collective may turn out to be as attractive as the ideal of the American Dream.” [34] And Professor Barry Buzan from the London School of Economics observes that: “Within China an effort is emerging to promote some of the principles from the Confucian order as a more collectivist, harmonious alternative to the conflictual individualism of most western international relations thinking.” [35]

It is not only that liberal democracy is not as universal a model for the world as believed by many in the West; in world politics, size does matter. The economic success of authoritarian Singapore, South Korea or Taiwan could not undermine the belief in the eventual triumph of liberal democracy mainly because they were too small to serve as models. China is in a different league. British expert Richard Sakwa, writing about Russia, observed: “The international system today does not have a mechanism for integrating rising great powers. This applies to China, as well as to Russia and some other countries”. [36] The UK politician Peter Mandelson recently wrote that: “Europe and the US need to recognize that China will not simply accept a model of global governance or multilateralism that it played no part in designing, or which it feels does not reflect the imperative of its growth and stability.” [37] The West’s calls for a stronger China to take on more responsibilities and behave like “a responsible stakeholder”, in the words of then US Deputy Secretary of State Robert Zoellick, [38] sound a little disingenuous; “strong China” will inevitably have its own understanding of the concept of “a responsible stakeholder” and it may bear little relation to that of the West. Politicians as well as people have to learn to see the world from perspectives other than their own. The French scholar Dominique Moïsi makes a valid point when he says the US must start to take account of the views of those who are becoming their equals and learn to understand and recognize other cultures. [39] The West, and especially Washington, needs much wisdom and even Chinese patience in its response to China’s “peaceful rise”. Equally important is the other side of the equation: can the rising Dragon remain hidden and keep a cool head, as Deng Xiaoping advised?

From westernization to sinicization?

Although Deng Xiaoping advised his countrymen to keep a cool head, maintain a low profile and never take the lead when aiming to do something big, it is doubtful that a country which is becoming increasingly powerful in absolute as well as in relative terms, can keep a low profile and refuse to take the lead indefinitely. As UK diplomat and scholar Adam Watson, observed after studying various international systems over the past 2,500 years: “Powers that find themselves able to lay down the law in a system in practice do so”. [40]

If the US is a status quo power in the sense that it seeks to maintain and consolidate its dominant position in the world, China may be seen as a revisionist power. [41] Chinese scholar Feng Yongping ends his article “The Peaceful Transition of Power from the UK to the US” with the following conclusion: “From the perspective of China, which can be considered in a similar state to the United States at that time [i.e. when Washington
peacefully took over from London the reins of world politics], the example of successful transition undoubtedly holds deep implications and provides a source for inspiration”. [42] Such ideas do not inspire people in Washington, which is why, among other issues such as Taiwan, Tibet and Xingjian, the trade imbalance and references to China’s democracy deficit and human rights violations may be used as instruments to stop or slow down the likely transition of power. Moreover, the US national security strategies of 2002 and 2006 are both based on the assumption of continuing US economic and military superiority, which would ensure Washington shaped the world and was not shaped by it; no strategic competitor will be allowed to emerge. [43] If the US cannot find ways of accommodating China’s rise then serious conflict will become inevitable.

For the first time in many years it is not the western democracies that are defining the future of our planet. Moïsi believes we may soon find out that centralized, non-democratic regimes such as China are better prepared for economic crises than US-style democracies. [44] However, taking into account the complex, global character of the current international system and its multiple actors – both governmental and non-governmental – it is unlikely that there will be any single centre, be it in the East or the West, that will dominate the international system.

In some respects Beijing’s behaviour as a leading state may differ in a positive way from that of previous dominant powers. In the first place, there will be no return to colonialism and no new Chinese empire to compare with those earlier empires built by the British, Dutch, French or Russians. In the second place, unlike Christianity or Islam, Confucianism is not a proselytizing religion – some would not even consider it a religion. European attempts to turn the entire world into liberal democracies is intellectually and emotionally based on Christianity’s universal call and the universal values expounded by the Enlightenment. A dominant China, even if forcefully advancing its interests, would not necessarily try to convert its neighbours and western liberal democracies to Confucian values. As Buzan maintains: “Unlike the universalist pretensions of American liberalism, Chinese characteristics point to a culturally unique way of doing things that is not necessarily relevant to those outside Chinese culture”. [45] This of course does not mean that “Chinese ways of doing things” will not influence other societies, especially those who are culturally and geographically close to the Middle Kingdom.

In conclusion, and bearing in mind the caveats outlined above, there are persuasive grounds for believing that China will gradually become not only more open economically and socially, but also more democratic politically. Today’s China is already very different from Mao’s China and, as we have seen above, economic modernization has a tendency to lead to political reform.

Footnotes


4. Ibid. 8.

5. Ibid. 81-82.


13. E.g. Daniel Deudney and John Ikenburry, though from my point of view somewhat too optimistically, or rather seeing the world in too deterministic terms as moving towards an inevitable goal, argue that though “China and Russia are not liberal democracies, they are much more liberal and democratic than they have ever been -- and many of the crucial foundations for sustainable liberal democracy are emerging”. (D. Deudney, G. J. Ikenburry, "The Myth of Autocratic Revival", Foreign Affairs, January/February, 2009).


20. Ibid.
22. Ibid.
28. Irwin Stelzer, "China v. world as a trade war comes closer", *Times Online*, 14 February 2010 http://business.timesonline.co.uk/tol/business/columnists/article7026223.ece


41. Barry Buzan, calling China a "reformist revisionist" power, writes that "[A] reformist revisionist accepts some of the institutions of international society for a mixture of calculated and instrumental reasons. But it resists, and wants to reform, others, and possibly also wants to change its status. This sounds like the best description of China's position in contemporary international society" (Buzan, Op. cit. 18). I agree with such characterization of China's position in today's world, which certainly contains seeds of serious conflicts with Western powers whose interests and values have moulded the current international society. However, these potential conflicts become inevitable and unavoidable only if the West or China insist on full and uncompromising realization of their respective visions of the future of the world. Therefore, compromises and acceptance of differences between societies as well as within societies are necessary for the avoidance of conflicts (see further in R. Müllerson, "Processes of Dissimilation and Assimilation in Humankind's Evolution: will E Pluribus Unum Replace Ex Uno Plures?", *Chinese Journal of International Law*, 9 April 2009).


43. The National Security Strategy of The United States of America, March 2006, 43.


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