

Summary: It may be tempting in light of China's growing power and reach to imagine a world in which China is dominant. Although China's policies of noninterference might seem appealing to many developing countries, its demands for obedience and its state-led growth will threaten the liberal capitalist order advanced by the West. China's growth also masks its continuing vulnerability to economic shocks, social instability, and ethnic separatism. Internationally, China will see its ambitions constrained by rising powers along its periphery, the United States' continuing presence in Asia, and its support for failing states such as Pakistan and North Korea.

Will China Rule the World? A View from New Delhi

by *Indrani Bagchi*

China is on a blitzkrieg in Africa. Building everything from spanking new airport terminals in Dar-es-Salaam to the headquarters of the African Union in Addis Ababa and oil refineries in Sudan, China is making impressive and convincing statements of its power and potential. Its almost insatiable quest for resources combined with its deep pockets has helped spread Chinese power across a continent that needs every dollar it can get. For many Africans, the Chinese style of cooperation is infinitely preferable to the Western variety. Both the United States and Europe extend homilies that Africa has heard for years without them making a difference. China, by contrast, is putting its money where it matters, into building infrastructure. With little regard for how African regimes treat their own people or whether they are flagrantly abusing human rights, China is building power.

China's power strategy is not just relegated to Africa, but is stunning both in its conception and in its reach. Across Asia and into Europe, China is building infrastructure on a massive scale, aiming to secure its position as

the fulcrum of the global economy for decades to come. Beijing has plans in place for transcontinental high-speed rail lines spanning 17 countries. These would follow three main routes: a southern route connecting Kunming in southwest China with Singapore passing through Burma, Vietnam, Cambodia, Thailand, and Malaysia; a western route connecting Urumqi in northwest China to Germany and France, passing through Kazakhstan, Uzbekistan, Turkmenistan, Pakistan, Iran, and Turkey; and a northern route connecting Heilongjiang in northeast China with south-eastern Europe through Russia. By building a transcontinental infrastructure network, Beijing is effectively redrawing the map of Eurasia.

For many states caught in this world, between a receding West and a rising China, there is little contest. China as the world's next superpower is no longer a matter of debate: it is the world's largest exporter, has the largest foreign exchange reserves (about a third of the world's total), enjoys one of the highest savings rates in the world, and is developing technological skills at a rapid pace. In its foreign relations,

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however, it follows a different mantra from the established Western powers: noninterference in the internal affairs of states and respect for national sovereignty. In a world of spreading democracy, China is demonstrating that there is another way to develop into a global power, a way with Chinese characteristics.

What Kind of Power Will China Be?

Financial Times columnist Martin Wolf recently suggested that China could best rule the world by becoming more “western.” “It would be best achieved via further development of the rules-governed, institutionally based global system. The obvious alternative would be a hierarchical arrangement, with China at the apex. But such an approach would, I fear, lead to unmanageable conflicts with the other great powers.”¹ While desirable, this may simply be wishful thinking. Martin Jacques, in his bestselling book, *When China Rules the World* argued that the Communist Party of China is a logical continuation of Chinese imperial regimes and that Chinese authoritarianism is not at risk for the foreseeable future.² This suggests that Chinese power is unlikely to abide by Western, liberal, capitalist rules.

Although states will be able to develop their own political and economic systems without risking a diminution of Chinese patronage, the Chinese model will nonetheless present several challenges to the international system. Although China may not interfere in the internal affairs of sovereign states, it will demand complete obedience from states within its circle of power. Further, the primacy of the private sector and the market will be subordinated to China’s state-empowered corporations, an extension of its political strategy.

Beijing’s Vulnerabilities at Home

Although China is already challenging several longstanding global rules set by the West, a number of factors suggest that it is unlikely to become a global hegemon, even as its influence grows. China is—at its core—fragile, and often demonstrably nervous that its vulnerabilities could be exploited by countervailing powers. Beijing remains convinced that the Communist regime’s legitimacy can only be maintained by high economic growth which, in turn, guarantees social

stability at home. Since the survival and longevity of the Communist regime in China are paramount, Beijing will do much to ensure that high economic growth rates are maintained. It has therefore set itself the goal of continued 7 percent growth spurred by greater consumption, the creation of 45 million more jobs, and the construction of 36 million more homes.

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The target rate of 7 percent growth, lower than the approximately 10 percent growth that China has been experiencing, marks an acknowledgment that growth will slow. There are also concerns that China is particularly vulnerable to external shocks. Its aging population may hasten its economic slowdown, as will rising inflation. While in neighboring India, popular anger over inflation could lead to changes in government at the state or federal level, in China it could potentially result in massive social instability. The fear of such instability, fuelled by a long history of violent insurrection in Chinese society, will continue to motivate the Chinese government to take decisions that may be in line with Chinese perceptions, but not necessarily with Western preferences. However, Indian observers of China are more optimistic than their Western counterparts about the ability of China to weather economic shocks.

A further cause of China’s perceived fragility is Beijing’s seemingly irrational reactions to possible democratic or popular protests at home. As authoritarian regimes in the Middle East continue to experience perhaps the greatest political upheaval in their recent histories, China’s nervousness is palpable. Going forward, this vulnerability could be exploited to China’s detriment, as was witnessed with the awarding of the Nobel Peace Prize to Liu Xiaobo and following an anonymous Internet call for a “walking” protest in Beijing that resulted in heavy-handed repression. Both episodes exposed obvious Chinese vulnerabilities.

¹ Martin Wolf, “How China Should Rule the World,” *Financial Times*, March 22, 2011.

² Martin Jacques, *When China Rules the World: The End of the Western World and the Birth of a New Global Order* (New York: Penguin Press, 2009).

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Additionally, China's approach to the Dalai Lama and policy paralysis when it comes to the Tibet question could narrow Chinese choices in the coming years. By flatly refusing to deal with the issue and by demonizing the spiritual leader in a manner that has made meaningful dialogue impossible, China may only be setting itself up for more difficulties after the Dalai Lama passes away and the mantle of Tibetan leadership is assumed by younger, more assertive leaders.

China's Constraints Abroad

What makes the prospects of Chinese hegemony even more unlikely is its neighbors' balancing. Unlike the United States' equally dramatic growth, which was essentially supported by other Western powers such as Canada and Europe, China's rise has evoked fear and loathing in its own neighborhood. As China becomes more aggressive in leveraging its newfound economic and political heft, countries like India, Japan, Indonesia, Australia, and South Korea are all engaged in an elaborate exercise to balance China, both economically and militarily. And encouraged by states in China's periphery, the United States remains active in Asia as the ultimate balancing power.

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China's military superiority certainly has the potential to be a destabilizing force in Asia. But at the same time, India is rapidly increasing its own military capabilities. Japan, despite its recurring crises, remains a technological leader, while South Korea is also a formidable technological and economic power. Further, China's period of rapid growth comes at a time when its neighbors are also enjoying fairly high rates of growth themselves. This will undoubtedly inhibit China's hegemonic ambitions. A final consideration is China's virtually unquestioned support for failing and

dangerous states such as Pakistan and North Korea which, in the Indian view, will almost certainly come back to haunt it.

Ultimately, for a China on the threshold of superpower status, democracy remains an irritant on the horizon. The revolutions sweeping the Middle East and North Africa have one thing in common: the removal of entrenched regimes. Just as some of these regimes served the purposes of the United States, many also served the interests of China. As the winds of change flow through these countries, and their people demand greater representation and more freedom, only time will tell whether China and Chinese power will remain immune.

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