

## Wider scope for panda diplomacy

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THE simultaneous rise of China and India is the biggest story of the 21st century. Their rise has the potential to change the power and civilisational balance of the world. The rise of China, in particular, has inspired both admiration and fear.

I believe that if we want to understand China's worldview, we must begin by understanding its history. A country's past often provides one with a key to interpreting its present and predicting its future. What strikes one most about China's long history is that it was often invaded.

From the Khitans in the 10th century to the Jurchen in the 12th, from the Mongols in the 13th century to the Manchus in the 17th, China has been ruled by foreigners for long stretches of its history.

Of greater salience, of course, is China's recent history. Many Chinese today remember the 19th century and the first half of the 20th century as a period of great humiliation for their country. It was invaded by the Western imperial powers and Japan and subjected to unequal treaties. This unhappy period ended only in 1949, with the establishment of the People's Republic of China.

China was not, however, always the victim of aggression. During the Yuan dynasty, the Mongolian rulers of China conquered Korea and, using the country as the launching pad, tried to conquer Japan twice, but unsuccessfully. The Mongols destroyed Pagan in Myanmar and invaded Vietnam and Java. However, when China was ruled by Han rulers, it was not an aggressive or expansionist state.

What the Chinese want is for their country to be a strong nation-state, able to defend its sovereignty and territorial integrity and its far-flung interests. China wants to be respected by the world. It wants a seat at the top table.

I do not think China is a revolutionary power seeking to export Chinese communism or the Chinese model of development, the so-called Beijing consensus. I do not have the impression that China is seeking hegemony, whether at the global or regional level. I am also not persuaded by the view that China is scheming to exclude the United States from Asia.

China wants and needs a peaceful external environment to concentrate on its internal development. It would, however, oppose any attempt by any country, or group of countries, to contain or impede its rise.

### **Economic development**

CHINA'S total output is about US\$5 trillion (S\$6.7 trillion), just ahead of Japan's US\$4.9 trillion. China is, however, still quite a distance behind the US at US\$14.2 trillion, and the European Union at US\$18.4 trillion. If China continues to grow at 7+ per cent per annum, it will catch up with the US in 20-30 years.

China, however, is still a relatively poor country. Its per capita income is only US\$3,500, against over US\$45,000 for the US. By economic size, China ranks second in the world. But by per capita income, it ranks 100th.

It accounts for 7.3 per cent of world trade and has replaced Germany as the world's No. 1 exporter.

China is both a recipient and exporter of foreign direct investment (FDI). The size of FDI hosted by China was estimated at US\$92.4 billion last year while its FDI abroad was estimated at US\$55.9 billion.

It enjoyed both a trade surplus of US\$348.9 billion and a current account surplus of US\$426 billion last year. Its foreign exchange reserves, now in excess of US\$2.4 trillion, are the largest in the world.

China's growing prosperity is beneficial to its neighbours and to the world economy - as long as it continues to be open to the world and plays by the international rules governing trade, investment and monetary policy.

### **Military prowess**

SINCE 1989, China has been devoting significant resources to the modernisation of its armed forces. Its declared military budget for the current fiscal year is US\$78 billion. The US has alleged that this does not capture the totality of China's military expenditure.

The Stockholm International Peace Research Institute (Sipri) has suggested that China's total military expenditure could be as high as US\$84.9 billion. By comparison, the US spends US\$607 billion, or 41.5 per cent, of total world military expenditures.

China's total military personnel is 2.3 million. Its nuclear warheads are estimated by Sipri to number between 100 and 400. The US Defence Intelligence Agency has estimated that China has between 1,330 and 1,660 ballistic and cruise missiles, mostly deployed near Taiwan. China's space technology has made several major breakthroughs. In 2003, it sent its first astronaut into space. In 2007, it shot down a satellite with a missile.

In its 2009 annual report to Congress, the US Department of Defence stated that although China has increased its capabilities for local and regional operations in certain areas, a number of limitations persist. For example, according to the Pentagon, the People's Liberation Army is only capable of the sealift of one infantry division and the delivery of 5,000 parachutists in a single lift. In purely military terms, China is not yet a global power and is in no position to challenge US military supremacy.

### **Soft power**

IN RECENT years, China has done an excellent job of projecting its soft power to the world. The spectacular success of the 2008 Beijing Olympic Games earned the admiration of millions of people worldwide. The 2010 Shanghai Expo is another success story.

China is blessed with a rich and ancient civilisation. It has started the Confucius Institute to disseminate its language and civilisation to the world. There are now 282 Confucius Institutes in 88 countries. An estimated 40 million foreigners are learning the Chinese language. There are 223,000 foreign students studying in China.

China has tried to be a responsible global citizen. It provides help to other developing countries. The US Department of State estimates that China's official development assistance is between US\$1.5 billion and US\$2 billion.

I want to make a point about China's soft power. The country's economic and military power will continue to grow. In this context, the wise use of soft power will make it less threatening and more inviting and attractive.

I want to conclude with three points on what the world wants from China:

- First, the world expects a powerful China to continue to practise a policy of good neighbourliness towards its smaller neighbours and to refrain from any attempt to bully them. In this context, Beijing's conduct in the South China Sea will be watched closely by South-east Asia and the rest of the world. China's doctrine of peaceful rise is at stake.

Beijing recently announced that the South China Sea is part of China's core interests. It has claimed sovereignty over the Spratly Islands and the adjacent waters. The Spratly Islands are also claimed by Brunei, Malaysia, the Philippines, Vietnam and Taiwan. The US has stated that it has an interest in ensuring freedom of navigation in the South China Sea. The US statement could have been provoked by a Chinese map with nine broken lines. The map is inconsistent with Beijing's note to the United Nations on this matter and could give rise to the legally untenable implication that China is claiming all the waters enclosed by the lines as its historic waters or territorial sea.

Singapore is not a claimant state and will not take sides in the disputes between the claimant states. Our interest is to ensure that the region remains peaceful, that the good relationship between China and Asean will continue, that the parties concerned comply faithfully with international law, the UN Convention on the Law of the Sea and the 2002 Asean-China Declaration on the Code of Conduct in the South China Sea, and that the disputes are resolved peacefully.

We urge the claimants to resume their negotiations and to heed Deng Xiaoping's wise advice to set aside the sovereignty disputes and to focus on the joint development of the disputed areas.

- Second, China should continue to play a constructive role in various international organisations, in global governance, and in upholding the rule of law in the world. China has benefited from the rules-based multilateral system. As its power grows, the world has a right to expect that China will shoulder a greater burden of international responsibility.
- Third, China should redouble its efforts to deal with its many environmental problems and to embrace sustainable development. It has already made impressive progress in harnessing solar and wind energy and in transiting to a low carbon economy. A clean and green China would benefit not only its people but also the people of the world. I hope that China will play a positive and constructive role in the ongoing negotiations on global warming and climate change.

There are two animals that represent China: the dragon and the panda. I hope that a powerful China will be viewed by the people of the world as a lovable panda and not a fearsome dragon.

**The writer is chairman of the Centre for International Law, NUS. He is also co-chair of the China-Singapore Forum, which held its 5th meeting on Sept 16 in Singapore. Think-Tank is a weekly column rotated among eight leading figures in Singapore's research and tertiary institutions.**