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China's Strategic Directions¹

- (1) *At first sight, China and the US appear to be an increasingly perfect match* with Peking almost making a comeback as Brzezinski's "Eastern anchor." Both admire raw power and think little of social or environmental security. Both have identified terrorism as the most important global security challenge. Both are opposed to the International Criminal Court and major candidates' proposals for Security Council reform. Both want to preserve the status quo on the Korean Peninsula and in the Taiwan Strait. Both believe that more than two people in a room means multilateralism. And perhaps most importantly, both believe in the waxing and waning of empires which is why they increasingly view the contemporary world in terms of an emerging bipolarity and qualify their mutual relationship as being the most important one on the planet.
- (2) *Upon closer inspection, however, Peking would like to do more about social and environmental security, Washington has been resisting Chinese attempts to designate every Uighur or Taiwan independence activist terrorists, China may have briefly reconsidered its stance on the ICC, both sides' opposition to G-4 proposals for Security Council reform stem from opposite motives, stabilisation of the Korean Peninsula could yet fail because of disagreement over the extent of acceptable pressure on North Korea, and the status quo in the Taiwan Strait remains hostage to domestic developments on all three sides.*
- (3) *These contradictions are the result of common misperceptions, power asymmetries, and diverging ideologies.* Common misperceptions relate to a failure to understand how globalisation affects aggregate national power. In spite of its unique military strength, the US cannot hope to contain most traditional and non-traditional risks at the same time and as a consequence has engaged in selective nation-building exercises. China's supposed "rise" is basically a bluff, because a country of the PRC's size cannot be centrally administered and has in fact been run by overlapping local networks and lobbies rather than by one monolithic hierarchy. Again at first sight, such a system appears rather well suited to a globalising world that itself has in many respects been disaggregating, but not if it wants to produce the innovation and sus-

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tainable and equitable development it will need to "rise" as a state. China's janus-faced character – Shanghai versus Guizhou, external economy versus domestic economy, rule of law versus corruption, integration versus revisionism – rather than signalling a necessary intermediate stage of development, could be the inherent quality of a country that is too big to be efficiently governed without an institutional division of powers, yet due to its cultural disposition and third parties' encouragement believes that it might get away with the bluff.

- (4) *There is some circumstantial evidence to support this hypothesis:* a banking crisis that does not seem any closer to a solution; a lack of macro-economic tools; persistent market distortions (land is too cheap, energy is too cheap, credit and the currency are too cheap;) problems with the adaptation – let alone the indigenous development - of modern technologies; problems with the education system; half-hearted overseas strategies of PRC companies; half-hearted approaches to both "Third Worldism" and regionalism.
- (5) *For movement to occur away from the intermediate stage* towards either global revisionism or global integration, China would have to opt for an expansionist commercial and military strategy at the expense of internal stability and thus at the expense of the main pillar of regime legitimacy, or it would have to share sovereignty as a matter of principle and not as a matter of tactics. Either movement requires cognitive social learning, something that seems to be difficult in an oversized network-country run by civil engineers.
- (6) What remains is a big new player who – partly because of size, partly because of third parties buying the bluff – *has begun making an impact on the international order in spite of a weak and arguably further weakening state capacity.* Under such circumstances, the consequences drawn by the PRC leadership (concerting with other big powers to preserve the status quo in the immediate neighbourhood, letting the US overstretch itself in the rest of the world,) have been sensible ones, albeit hardly adequate to address global issues such as poverty, climate change, WMD-proliferation, or human rights.
- (7) *It is at this point that Europe comes in.* Given a greater overlap on such global interests, the hope that Washington, contrasting with major Asian players, does not reject multilateralism as a matter of principle, and signs of surviving common values, the Transatlantic relationship could after all turn out to be the most important one in the world. For this to happen, the US would have to further emphasise nation-building (and in the same context, regionalism,) at the expense of power balancing. Europe would have to complete its political union, reaffirm its commitment to international institutions and norms, turn its experience in nation-building, regionalism, and Common Se-

curity into foreign policy tools while refraining from making bold statements on situations such as the one in the Taiwan Strait or Korean Peninsula where it cannot make a difference. At the same time, Europe should not allow Washington or Peking or both to dictate its Far Eastern Agenda: it should lift an inefficient arms embargo against China if it can replace it with an efficient global code of conduct.