



China Stirs by James Kynge

The activism that China has brought to its foreign policy this year has eclipsed anything seen since the Communists came to power in 1949.

The latest manifestation was the six-day trip by Jiang Zemin, China's president, to Japan, which ended Nov. 30. The trip was not a success – the two sides argued about Japan's behaviour in the second world war – but the mere fact that Mr. Jiang chose to go there at all was significant: he was the first Chinese head of state to visit Japan in his country's thousands of years of history. His visit reveals a new extroversion in Chinese diplomacy and made the visit a milestone in an annus mirabilis for China's foreign relations.

Bill Clinton, the US president, went to Beijing in June for a summit that was designed to expunge memories of the 1989 Tiananmen massacre - the most stubborn stain on Beijing's international reputation. Seven European leaders trooped through China in the autumn and Beijing initiated regular summits with the European Union. The flap over nuclear tests by India and Pakistan allowed Mr. Jiang to start using a newly installed "hot line" to Mr. Clinton and China helped shape the fiercely critical international response to a key security issue. And by choosing not to devalue the currency, China's leaders have basked in plaudits for their "responsible" stance to the region's economic crisis.

Much of the new emphasis on foreign relations springs from the emergence of Mr. Jiang from the shadow of Deng Xiaoping, his predecessor and the architect of the country's "open door" policy, who died last year.

Mr. Jiang, a dowdy understudy while Mr. Deng was alive, now exudes a confidence characterised by thespian flourishes. He swam in the sea off Hawaii, played the piano in Kazakhstan, sang Peking opera in the US, recited poetry in Japan and made a speech in Russian to repeated applause from scientists in Siberia.

"Jiang has personally attached himself to these new foreign policy initiatives," said Michael Yahuda, professor of international relations at the London School of Economics. "It is as though Mao (Zedong) was the great unifier, Deng was the great reformer and Jiang is the one defining China's proper place in world affairs as a major power equal to the US."

Signs of the primacy that foreign policy enjoys in Beijing's government hierarchy abound. While other ministries in Beijing were obliged to cut their staff by nearly half this year in response to an anti-bureaucracy drive, the foreign ministry had to cut only about 25 per cent. Other government departments cast envious eyes at the vast foreign ministry building, with satellite dishes on the roof enabling a 24-hour news monitoring operation.

Internationally, China's profile has been raised mainly by its response to Asia's economic crisis. Sheltered from speculative attacks by the limited convertibility of its currency, the renminbi, China has been able to launch initiatives – such as a significant fiscal stimulus package – that in more open economies would probably have been thwarted by the turmoil in financial markets.

Its decision not to devalue the renminbi despite tumbling currencies throughout the region drew much appreciation, not least from Robert Rubin, the US treasury secretary, who called China an "island of stability". Beijing's officials seized on the favourable mood to try to dismantle old accusations that the country was mercantilist in trade relations, and to argue that its stance against devaluation should help to gain it concessionary entry into the World Trade Organization. (This argument has not yet worked.)

But perhaps its most brilliant stroke, says Gerald Segal, Asia specialist at the International Institute of Strategic Studies in London, was in the way that Beijing used its "no devaluation" pledge to coax the Clinton administration into criticizing Washington's top regional ally, Japan. Hints by officials in June that Beijing might have to devalue if the yen continued to depreciate made US policymakers chide Tokyo for indecision in reflating its economy, while praising Beijing for its resolve. Considerable skill was also evident in the handling of nuclear tests by India, China's neighbor and rival, and Pakistan. A period of intense consultation with the US was followed by Beijing's taking a leading role in a meeting of the permanent members of the security council in Geneva.

At the US-China summit both sides signed a written agreement to work together to prevent a nuclear arms race in south Asia. Armed with US support, Mr. Jiang immediately attended a summit in central Asia where he won more written condemnation of India from Russia – historically a friend of New Delhi – and four central Asian states.

Opportunism has not been the only feature of Chinese diplomacy this year. There have been some qualitative shifts, especially in defusing the repeated criticism of China's human rights record that had diminished Beijing's international stature. The first switch was to accept criticism from foreign governments of its human rights as long as it was done quietly, in "dialogue" sessions behind closed doors.

Then, in October, China signed the United Nations covenant on civil and political rights, regarded as a cornerstone for civil liberties. Beijing does not have to abide by its statutes until it ratifies the document, perhaps many years from now. But as long as it is studying the text, the condemnations of foreign leaders and human rights pressure groups will carry less force.

China is also sticking its diplomatic nose into new areas, such as the Middle East and former Soviet central Asia. In both, the desire for energy security is strong; China may have to import a third of its oil by 2010.

Its involvement with Israel and the Palestinian authority, (the leaders of both visited Beijing this year) may also assist China's engagement with the US because of Washington's burning pre-occupation with the Middle East. Building economic links with Kazakhstan, Uzbekistan and Kyrgyzstan may help China to prevent Moslem separatists from infiltrating its volatile north-west frontier region of Xinjiang.

But where will China's growing prominence end? And what is its guiding doctrine?

Beijing describes its diplomatic philosophy as one of "multi-polarity", a conveniently hazy concept that officials say embraces a desire for a more equitable world less in the thrall of Washington. Some analysts are more blunt. "China understands there is only one superpower. The core Chinese interest is to reduce, contain and dilute US influence," says Mr Segal.

"There is a concerted effort by China to be the central Asian country," adds Bruce Dickson, director of the Sigur Centre for Asian Studies at the George Washington University.

There are numerous examples of attempts to seek a balance to US influence, or even undermine it. Chi Haotian, the defence minister, chose Singapore – a staunch security ally of the US – to lecture this month on the drawbacks of Washington's military presence in Asia.

EU officials said that during the visit of Jacques Santer, president of the European Commission, in October, senior Chinese officials made little secret of their hope that the euro would become strong enough to balance the dominance of the dollar and yen.

China plans to convert a significant amount of its foreign currency reserves into euros following the currency's launch, and issue bonds dominated in the European currency, officials have said. Some academics in Beijing add that they hope monetary union could lead to greater political unity so that Europe could become a more reliable diplomatic counterweight to the US.

Chinese diplomacy has made significant strides this year. All the same, the country's status as an emerging "big power" is still a good deal more fragile than its leaders would admit.

China's diplomatic power these days grows not from the barrel of a gun but from the lure of its vast potential market. But its economic growth is probably overstated, and the pull of the marketplace is in remission while the country grapples with a chronic banking problem.

There also appear to be some contradictions in China's grand plan. On the one hand it complains of the US military presence in Asia. On the other it opposes any attempt by Japan to re-arm. Yet a US troop withdrawal would almost certainly prompt Tokyo to spend more on defence. "The Japanese could quickly outshine China in military affairs," says Prof Yahuda.

Another perennial source of diplomatic instability is Taiwan, the island off China's south-east coast which drives Beijing's thinking on a surprising number of issues. Mr Jiang's government has made the cause of reunification with Taiwan a kind of diplomatic virility symbol. The mainland is engaged in a process of attrition through which it tries to strip Taipei of any kind of diplomatic recognition. When things go wrong, such as in 1995 when Lee Teng-hui, Taiwan's president, secured a visa to visit the US, the reaction can be uncompromising. In 1996 Beijing conducted a series of missile tests just miles off Taiwan's coast, prompting a US naval task force to sail to waters near the island.

Some analysts also believe that Taiwan's actions can drive other aspects of Beijing's foreign policy. This year, for example, China hit out at Indonesia for the ill-treatment of ethnic Chinese among the Indonesian population. "In some respects they felt pushed into it by what the Taiwanese were saying (about Indonesia). They are still rivals for the allegiance of the overseas Chinese communities," says Prof Yahuda.

Japan and Taiwan show that China's rise to greater influence in Asia is never going to be smooth or unchallenged. But those countries do not appear able to stop it: China's rise seems inevitable unless the country dissolves into internal strife. How the world will accommodate its emergence is a pressing question. Napoleon once advised the west against doing anything to shake the Middle Kingdom from its long Manchu lethargy, for, as he said, "when China wakes, it will shake the world".

Mr. Kynge is a staff writer at The Financial Times. This is reprinted with permission from the December 1 issue of The Financial Times, p. 19.