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The Chinese Century

By Michael Elliott

The railroad station in the Angolan town of Dondo hasn't seen a train in years. Its windows are boarded up, its pale pink facade crumbling away; the local coffee trade that Portuguese colonialists founded long ago is a distant memory, victim of a civil war that lasted for 27 years. Dondo's fortunes, however, may be looking up. This month, work is scheduled to start on the local section of the line that links the town to the deep harbor at Luanda, Angola's capital. The work will be done by Chinese construction firms, and as two of their workers survey the track, an Angolan security guard sums up his feelings. "Thank you, God," he says, "for the Chinese."

That sentiment, or something like it, can be heard a lot these days in Africa, where Chinese investment is building roads and railways, opening textile factories and digging oil wells. You hear it on the farms of Brazil, where Chinese appetite for soy and beef has led to a booming export trade. And you hear it in Chiang Saen, a town on the Mekong River in northern Thailand, where locals used to subsist on whatever they could make from farming and smuggling--until Chinese engineers began blasting the rapids and reefs on the upper Mekong so that large boats could take Chinese-manufactured goods to markets in Southeast Asia. "Before the Chinese came here, you couldn't find any work," says Ba, a Burmese immigrant, taking a cigarette and Red Bull break from his task hauling sacks of sunflower seeds from a boat onto a truck bound for Bangkok. "Now I can send money back home to my family."

You may know all about the world coming to China--about the hordes of foreign businesspeople setting up factories and boutiques and showrooms in places like Shanghai and Shenzhen. But you probably know less about how China is going out into the world. Through its foreign investments and appetite for raw materials, the world's most populous country has already transformed economies from Angola to Australia. Now China is turning that commercial might into real political muscle, striding onto the global stage and acting like a nation that very much intends to become the world's next great power. In the past year, China has established itself as the key dealmaker in nuclear negotiations with North Korea, allied itself with Russia

in an attempt to shape the future of central Asia, launched a diplomatic offensive in Europe and Latin America and contribute troops to the U.N. peacekeeping mission in Lebanon. With the U.S. preoccupied with the threat of Islamic terrorism and struggling to extricate itself from a failing war in Iraq, China seems ready to challenge--possibly even undermine--some of Washington's other foreign policy goals, from halting the genocide in Darfur to toughening sanctions against Iran. China's international role has won the attention of the new Democratic majority in Congress. Tom Lantos, incoming chair of the House of Representatives Foreign Affairs Committee and a critic of Beijing's human-rights record, told TIME that he intends to hold early hearings on China, on everything from its censorship of the Internet to its policies toward Tibet. "China is thinking in much more active terms about its strategy," says Kenneth Lieberthal of the University of Michigan, who was senior director at the National Security Council Asia desk under President Bill Clinton, "not only regionally, but globally, than it has done in the past. We have seen a sea change in China's fundamental level of confidence."

Blink for a moment and you can imagine that--as many Chinese would tell the tale--after nearly 200 years of foreign humiliation, invasion, civil war, revolution and unspeakable horrors, China is preparing for a date with destiny. "The Chinese wouldn't put it this way themselves," says Lieberthal. "But in their hearts I think they believe that the 21st century is China's century."

That's quite something to believe. Is it true? Or rather--since the century is yet young--will it be true? If so, when, and how would it happen? How comfortable would such a development be for the West? Can China's rise be managed peaceably by the international system? Or will China so threaten the interests of established powers that, as with Germany at the end of the 19th century and Japan in the 1930s, war one day comes? Those questions are going to be nagging at us for some time--but a peaceful, prosperous future for both China and the West depends on trying to answer them now.

WHAT CHINA WANTS--AND FEARS

If you ever feel mesmerized by the usual stuff you hear about China--20% of the world's population, gazillions of brainy engineers, serried ranks of soldiers, 10% economic growth from now until the crack of doom--remember this: China is still a poor country (GDP per head in 2005 was \$1,700, compared with \$42,000 in the U.S.) whose leaders face so many problems that it is reasonable to wonder how they ever sleep. The country's urban labor market recently exceeded by 20% the number of new jobs created. Its pension system is nonexistent. China is an environmental dystopia, its cities' air foul beyond imagination and its clean water scarce. Corruption is endemic and growing. Protests and riots by rural workers are measured in the tens of thousands each year. The most immediate priority for China's leadership is less how to project itself internationally than how to maintain stability in a society that is going through the sort of social and economic change that, in the past, has led to chaos and violence.

And yet for all their internal challenges, the Chinese seem to want their nation to be a bigger player in the world. In a 2006 poll conducted jointly by the Chicago Council on Global Affairs and the Asia Society, 87% of Chinese respondents thought their country should take a greater role in world affairs. Most Chinese, the survey found, believed China's global influence would match that of the U.S. within a decade. The most striking aspect of President Hu Jintao's leadership has been China's remarkable success in advancing its interests abroad despite turmoil at home.

Surprisingly for those who thought they knew his type, Hu has placed himself at the forefront of China's new assertiveness. Hu, 64, has never studied outside China and is steeped in the ways of the Communist Party. He became a party member as a university student in the early 1960s and headed the Communist Youth League in the poor western province of Gansu before becoming provincial party chief in Guizhou and later Tibet. Despite a public stiffness in front of foreigners, Hu has been a vigorous ambassador for China: the pattern was set in 2004, when Hu spent two weeks in South America--more time than George W. Bush had spent on the continent in four years--and pledged billions of dollars in investments in Argentina, Brazil, Chile and Cuba. While Wen Jiabao, China's Premier, was visiting 15 countries last year, Hu spent time in the U.S., Russia, Saudi Arabia, Morocco, Nigeria and Kenya. In a three-week period toward the end of 2006, he played host to leaders from 48 African countries in Beijing, went to Vietnam for the annual Asia-Pacific Economic Cooperation summit, slipped over to Laos for a day and then popped off for a six-day tour of India and Pakistan. For someone whose comfort zone is supposed to be domestic affairs, that's quite a schedule. "Look at Africa, look at Central America, look at parts of Asia," says Eberhard Sandschneider, a China scholar who is head of the German Council on Foreign Relations. "They are playing a global game now."

As it follows Hu's lead and steps out in the world, what will be China's priorities? What does it want and what does it fear? The first item on the agenda is straightforward: it is to be left alone. China brooks no interference in its internal affairs, and its definition of what is internal is not in doubt. The status of Tibet, for example, is an internal matter; the Dalai Lama is not a spiritual leader but a "splittist" whose real aim is to break up China. As for Taiwan, China is prepared to tolerate all sorts of temporary uncertainties as to how its status might one day be resolved--but not the central point that there is only one China. Cross that line, and you will hear about it.

This defense of its right to be free of interference has a corollary. China has traditionally detested the intervention by the great powers in other nations' affairs. An aide to French President Jacques Chirac traces a new Chinese assertiveness to the U.S. invasion of Iraq, saying, "They felt they can't allow that sort of meddling in what they see as a nation's internal affairs." But the same horror of anything that might smell of foreign intervention was evident long before Iraq. I visited Beijing during the Kosovo war in 1999, and it wasn't just the notorious bombing of the Chinese embassy in Belgrade that year that outraged top officials; it was the very idea of NATO's rearranging what was left of Yugoslavia. Wasn't the cause a good one? That didn't matter.

China's commitment to nonintervention means that it doesn't inquire closely into the internal arrangements of others. When all those African leaders met in Beijing, Hu promised to double aid to the continent by 2009, train 15,000 professionals and provide scholarships to 4,000 students, and help Africa's health-care and farming sectors. But as a 2005 report by the Council on Foreign Relations notes, "China's aid and investments are attractive to Africans precisely because they come with no conditionality related to governance, fiscal probity or other concerns of Western donors." In 2004, when an International Monetary Fund loan to Angola was held up because of suspected corruption, China ponied up \$2 billion in credit. Beijing has sent weapons and money to Zimbabwe's President Robert Mugabe, whose government is accused of massive human-rights violations.

Most notoriously, China has consistently used its place as a permanent member of the U.N. Security Council to dilute resolutions aimed at pressuring the Sudanese government to stop the ethnic slaughter in Darfur. A Chinese state-owned company owns 40% of the oil concession in the south of Sudan, and there are reportedly 4,000 Chinese troops there protecting Beijing's oil interests. (By contrast, despite the noise that China made when one of its soldiers was killed by an Israeli air strike on a U.N. post in Lebanon last summer, there are only 1,400 Chinese troops serving in all U.N. peacekeeping missions worldwide.) "Is China playing a positive role in developing democracy [in Africa]?" asks Peter Draper of the South African Institute of International Affairs. "Largely not." Human Rights Watch goes further: China's policies in Africa, it claimed during the Beijing summit, have "propped up some of the continent's worst human-rights abusers."

China doesn't support unsavory regimes for the sake of it. Instead China's key objective is to ensure a steady supply of natural resources, so that its economy can sustain the growth that officials hope will keep a lid on unrest at home. That is why China has reached out to resource-rich democracies like Australia and Brazil as much as it has to such international pariahs as Sudan and Burma, both of which have underdeveloped hydrocarbon reserves. There's nothing particularly surprising about any of this; it is how all nations behave when domestic supplies of primary goods are no longer sufficient to sustain their economies. (Those Westerners who criticize China for its behavior in Africa might remember their own history on the continent.) But China has never needed such resources in such quantities before, so its politicians have never had to learn the skills of getting them without looking like a dictator's friend. Now they have to.

WORKING WITH CHINA

Assuming a bigger global presence has forced Beijing to learn the art of international diplomacy. Until recently, China's foreign policy consisted of little more than bloodcurdling condemnations of hegemonic imperialism. "This is a country that 30 years ago pretty much saw things in zero-sum terms," says former Deputy Secretary of State Robert Zoellick. "What was good for the U.S. or the West was bad for China, and vice versa." Those days are gone. Wang Jisi of Beijing University, one of China's top foreign policy scholars, says one of the most important developments of 2006 was that the communiqué issued after a key conference on foreign affairs for top officials had no reference to the tired old terms that have been standard in China's

diplomatic vocabulary.

Washington would like Beijing to go further. In a speech in 2005, Zoellick invited China to become a "responsible stakeholder in international affairs. China's national interest, Zoellick argued, should not be narrowly defined, but would be "much better served by working with us to shape the future international system," on everything from intellectual-property rights to nuclear nonproliferation. Says Zoellick: "I'm not sure anyone had ever put it quite in those terms, and it clearly had a bracing effect."

That would imply that China's behavior has changed of late. Has it? A U.S. policymaker cautions, "It's important to see the 'responsible stakeholder' notion as a future vision of China." In practice, this official says, "They've been more helpful in some areas than others." When the stars align--when China's perception of its own national interest matches what the U.S. and other international powers seek--that help can be significant. Exhibit A is North Korea, long a Chinese ally, with whom China once fought a war against the U.S. As North Korea's leader Kim Jong Il developed a nuclear-weapons program in the 1990s, China had to choose between irking the U.S.--which would have implied doing little to rein in Pyongyang--or stiffing its former prot

Hu's personal preferences seem to have helped shape the choice. He is known to have been stinging critical of Kim in meetings with U.S. officials. Michael Green, senior director for Asian affairs at the National Security Council until December 2005, says Hu had long indicated to visiting groups of Americans his skepticism about Kim's intentions. When the North finally tested a nuke last fall, China joined the U.S. and other regional powers in condemning Kim and supported a U.N. Security Council resolution sanctioning Pyongyang. Says a senior U.S. official: "If you asked experts several years ago, Could you imagine China taking these actions toward a longtime ally in cooperation with us and Japan? Most people would have said no."

But nobody in Washington is getting carried away. Beijing has been helpful on North Korea because it's more important to China that Pyongyang not provoke a regional nuclear arms race than it is to deny the U.S. diplomatic support. Contrast such helpfulness with China's behavior on the dispute over Iran's nuclear ambitions. In December, China signed a \$16 billion contract with Iran to buy natural gas and help develop some oil fields, and it has consistently joined Russia in refusing to back the tough sanctions against Tehran sought by the U.S. and Europe. "It's hard to say China's been helpful on Iran," says a senior U.S. official, and there is little sense that such an assessment will change any time soon.

Within its own neighborhood, there are signs that China's behavior is changing in more constructive ways. China fought a war with India in 1962 and another with Vietnam in 1979. For years, it supported communist movements dedicated to undermining governments in nations such as Indonesia, Singapore and Malaysia. Yet today China's relations with its neighbors are nothing but sweetness and light, often at the expense of the U.S. Absorbed by the arc of crisis spreading from th

Middle East, the U.S. is simply less visible in Southeast Asia than it once was, and China is stepping into the vacuum.

While American exports to Southeast Asia have been virtually stagnant for the past five years, Chinese trade with the region is soaring. In the northern reaches of Thailand and Laos, you can find whole towns where Mandarin has become the common language and the yuan the local currency. In Chiang Saen, signs in Chinese read CALL CHINA FOR ONLY 12 BAHT A MINUTE. A sign outside the Glory Lotus hotel advertises CLEAN, CHEAP ROOMS in Chinese. It is not aid from the U.S. but trade with China--carried on new highways being built from Kunming in Yunnan province to Hanoi, Mandalay and Bangkok, or along a Mekong River whose channels are full of Chinese goods--that is transforming much of Southeast Asia.

Nor is China's smiling face visible only to its south. In a cordial state visit last year, Hu reached out to India--an old rival with which it still has some disputed borders. The two countries pledged to double trade by 2010 and agreed to bid jointly for global oil projects on which they had previously been competing. Hu has also sought to mend ties with Japan, another longtime rival with whom China's relations have deteriorated in recent years. Last October, Hu met the new Japanese Prime Minister, Shinzo Abe, in Beijing just days after Abe took office, a visit Hu called a "turning point" in frosty relations between the two countries and which Premier Wen described as a "window of hope."

WHOSE CENTURY?

So, a China whose influence is growing but that is trying to ease old antagonisms--what's not to like?

In one view, nothing at all, as long as China's rise remains peaceful, with China neither provoking others to rein in its power nor slipping into outward aggression. And yet as remote as a confrontation seems today, there are some China watchers who fear a conflict with the West could still materialize in coming years. They point to two factors: the modernization of China's defense forces and the risk of war over Taiwan. The authoritative Military Balance, published annually by the International Institute for Strategic Studies in London, estimates that China's military spending has increased nearly 300% in the past decade and from 1.08% of its GDP in 1995 to 1.55% in 2005. (By contrast, the U.S. spends 3.9% of its GDP on defense, and the U.S. economy is more than five times as big as China's.) China's most recent defense white paper, published last month, showed a 15% rise in military spending in the past year. Place such an increase in the context of Taiwan policy and you can start to feel queasy. The island has been governed independently since the defeated forces of Chiang Kai-shek retreated there in 1949. Beijing wants to see the island reunited with the mainland one day. The U.S., although it has a one-China policy and has no formal diplomatic mission in Taiwan, is committed to defend Taiwan from an unprovoked attack by China.

In all likelihood, war over Taiwan is unlikely. After a miserable 200 years, China's prospects now are as bright as ever, the opportunities of its people improving each year. It would take a particularly stupid or evil group of leaders to put that glittering

prize at risk in a war. Those in Taiwan who favor independence--including its President Chen Shui-bian--have singularly failed to win the support of the Bush Administration. "China," says Huang Jing of the Brookings Institution in Washington, "is now basically on the same page as the U.S. when it comes to Taiwan. Neither wants independence for Taiwan. Both want peace and stability." China's military buildup is best seen as a corollary of changes in Chinese society. Where Chinese military doctrine was once based on human-wave attacks, it now stresses the killing power of technology. There's nothing new, or particularly frightening, about such a transformation; it's what nations do all the time. If the Sioux hadn't learned how to handle horses and shoot Winchesters, they wouldn't have wiped out Custer's forces at the Little Bighorn.

But other aspects of China's rise are real and troubling. China is a one-party state, not a democracy. Some U.S. policymakers and business leaders like to say there is something inevitable about political change in China--that as China gets richer, its population will press for more democratic freedoms and its ruling Ã©lite, mindful of the need for change, will grant them. Could be. But China is becoming richer now, and if there is any sign of substantial political reform--or any sign that the absence of such reform is hurting China's economic growth--it is, to put it mildly, hard to find.

Does China's lack of democracy necessarily threaten U.S. interests? One answer to that question involves looking back to the cold war. The Soviet Union was not a democracy, and although the U.S. contested its power in all sorts of ways, American policymakers were content to live with the reality of Soviet strength in the hope (correct, as it turned out) that communism's appeal outside its borders would wither and Russia's political system would become more open. Is that how the U.S. should treat a nondemocratic China? In the forthcoming book *The China Fantasy*, James Mann, an experienced China watcher now at the Johns Hopkins School of Advanced International Studies, warns that living with a more powerful, nondemocratic Beijing would not be easy for the U.S. In crucial ways, the U.S. has less leverage over China than it ever had over the Soviet Union. China holds billions of dollars of U.S. government assets. American consumers have come to rely on cheap labor in China to provide goods at Wal-Mart's everyday low prices. The Soviet Union, by contrast, was an economic basket case: it had minimal foreign-exchange reserves and was desperate for U.S. and European high technology.

This lack of leverage over Chinese behavior may make for an uncomfortable future. Mann sees a time when a powerful China not only remains undemocratic but also sustains unpleasant regimes in power, as it does today in such nations as Zimbabwe and Burma. Such behavior could make the world a colder place for freedom. Green, the former National Security Council staff member, agrees that China "wants to build speed bumps on the road to political globalization and liberalization" and is "particularly against any attempt to spread democracy." Sandschneider, the German China expert, says the Chinese "talk about peace and cooperation and development, which sounds great to European ears--but underneath is a question of brutal competition for energy, for resources and for markets."

How can that competition be managed? And how can the U.S. and its allies convince the Chinese not to support rogue regimes? The key may be to identify more areas in which China's national interests align with the West's and where

cooperation brings mutual benefits. China competes aggressively for natural resources. But as David Zweig and Bi Jianhai of the Hong Kong University of Science and Technology argued in *Foreign Affairs* in 2005, it would make just as much sense for the U.S. and China--both gas guzzlers--to pool forces and figure out how to tap renewable sources of energy and conserve existing supplies. For a start, the U.S. could work to get China admitted into the International Energy Agency and the G-8, where such topics are debated.

The U.S. can also encourage China's leaders to recognize that irresponsible policies will diminish China's long-term influence. As China expands its global reach, it will find itself exposed to all sorts of pressures--of the sort it has never had to face before--to behave itself. Already, there are voices in Africa warning China that it is acting just like the white imperialists of old. In the Zambian city of Kabwe, where the Chinese own a manganese smelter, the local shops are stocked with Chinese-made clothes rather than local ones. In the oil-rich delta region of Nigeria, where Chinese rigs have a reputation for poor safety and employment practices, a militia group recently warned the Chinese they would be targeted for attack unless they changed their ways.

There are some glimmers that such criticism is having an impact in Beijing. The Chinese, says Joshua Kurlantzick of the China Program at the Carnegie Endowment for International Peace, "are beginning to understand that some of their policies in Africa are turning people off" and have quietly turned to the U.S. and Britain for help in devising foreign-aid policies. A former senior U.S. official says Chinese officials have been closely monitoring the growing international distaste over its support for the Sudanese government. Congressman Lantos says younger Chinese diplomats "are embarrassed that the Chinese government is prepared to do any business with Sudan for oil despite what is happening in Darfur." Slowly, slowly, engagement with China, debate with its leaders--and the hope that as they see more of the world, they will understand why so many want to shun dictatorships--may all act to shade Chinese behavior.

Such engagement will always be controversial. Like it or not, it involves cozying up to a nation that is not a democracy--and does not look as if it will become one soon. But China is now so significant a player in the global economy that the alternative--waiting until China changes its ways--won't fly. There is still time to hope that China's way into the world will be a smooth one. Perhaps above anything else, the sheer scale of China's domestic agenda is likely to act as a brake on its doing anything dramatically destabilizing abroad.

On the optimistic view, then, China's rise to global prominence can be managed. It doesn't have to lead to the sort of horror that accompanied the emerging power of Germany or Japan. Raise a glass to that, but don't get too comfortable. There need be no wars between China and the U.S., no catastrophes, no economic competition that gets out of hand. But in this century the relative power of the U.S. is going to decline, and that of China is going to rise. That cake was baked long ago. [This article contains charts and graphs. Please see [hardcopy](#) or [pdf](#).]

With reporting by Hannah Beech / Bangkok, Simon Elegant, Susan Jakes / Beijing, James Graff / Paris, Megan Lindow / Dondo, Alex Perry / Johannesburg, Bill Powell / Shanghai, Andrew Purvis / Berlin, Simon Robinson / Kabwe, Elaine Shannon / Mark Thompson / Washington

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