

China and Developing Economies: Identities and Actors

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Much of the discussion over China's role in Africa and Latin America focuses on the increased importance of economic security in Chinese policy making discourses. This clearly remains extremely important and in my opinion will continue to be the predominant driver of Chinese policy in the near future. Indeed, we might suggest that while the focus to date has been on securing energy and raw material supplies to feed China's growth effort, in the future securing the food required to feed the Chinese people's growing (and increasingly diverse and sophisticated) demands will provide an additional policy driver. And it is in providing money through investment, aid, and through cancelling debts that China has had the biggest impact on the continent, and also increasingly in Latin America and Southeast Asia as well.

So it is not the intention here to provide a revisionist understanding of why and how China engages developing countries, but instead to add another extra dimension to the discussion in the guise of Chinese attempts to build and promote new national identities overseas. The suggestion here is that Chinese foreign policy, and particularly aid and trade policies, reveal something of a contradiction in China's strategic thinking. On one hand, there is a clear attempt to depict China as "different", and on the other to show China as a responsible great power that does not threaten the existing global system.

Furthermore, whilst there is no suggestion that the CCP is abandoning its monopolistic grip on political power in China, the leading party is changing its relationship with the people. Public opinion articulated through the internet is playing an increasing role in shaping policy discourses in China – particularly when it comes to matters of international relations and China's position in the global order.

China as “different” and/or “alternative”

In some respects, China’s leadership seems to be promoting a form of “Occidentalism” – China’s national identity is established in contrast to the (constructed) image of the western powers who had subjected their colonies to unequal exchange, domination, and the imposition of western values. China, which of course shares a history of colonisation with many developing countries, rejects the West’s imposition of economic and political liberalisation conditionalities on trade and aid. Rather, it promotes the sanctity of sovereignty, and the importance of each state finding its own route to political and economic improvement based on its own unique set of conditions. China’s economic engagement of developing countries is based on mutual benefit and the oft repeated “win-win” scenario rather than the previous western plundering of resources. And China stands for what it calls a democratic global order where each nation has an equal say and disputes are dealt with through the UN. This stands in contrast to the western dominated global financial institutions that have in the past acted as an arm of western power and preferences, and in even starker contrast to the imposition of order and even invasion by the dominant hegemonic powers without recourse to international law. Perhaps above all else, based on historical teachings and precedent, China is increasingly being depicted as standing for harmony and a harmonious world; what the west instead stands for is usually unstated and left to be inferred.

Of course, we can easily find fault with these characterisations; both the “idea” of China and the “idea” of the west. Indeed, the conflation of the “west” into a single actor with a single interest and identity is considerably problematic (particularly when it is often short-hand for the government of the USA). Within Africa, for example, there is a considerable backlash against the actions of Chinese investors who, it seems, are treating local workers no better than any other previous foreign investor. Much of China’s

investment in Africa and Southeast Asia, for example, appears to be driven by pragmatic economic concerns rather than political solidarity. Infrastructure developments typically end up in places where goods can then be transferred to China. And although the emphasis to date has been on primary goods and resources, the increasing Chinese investment in low cost manufacturing capacity brings little in terms of skills and technology to the host economy. In Zambia and elsewhere, the poor safety record of many Chinese run enterprises (typically in extraction industries) has resulted in organised opposition to Chinese control from trade unions and the official opposition. Furthermore, the influx of individual Chinese traders in some places has forced nascent domestic producers and retailers out of business, or “down” the product chain into less lucrative activities. In some places this has resulted in considerable resentment against the Chinese – not just the individual Chinese traders, but “the Chinese” and “China” more generally. Thus, in parts of Africa in particular, there appears to be a growing disconnect between the way that the government and the people respond to increasing Chinese investment and participation.

But the fact that China is prepared to deal with other countries irrespective of their domestic levels of political and economic liberalisation is clearly important. So too is the fact that China has managed to generate rapid economic growth itself without adhering to the liberalising principles of the Washington Consensus. To be sure, China’s record looks better if we gloss over the massive inequalities and the reduction in access to health, education and welfare in the countryside, but the appeal of the headline figures of growth and poverty reduction cannot and should not be discounted.

So for many leaders in developing states, particularly but not only those with less than full and free democratic systems, China provides a key alternative – and alternative economic and political partner, and an alternative model of how to generate rapid economic growth (without liberalising key economic sectors and without giving up political power). And in this respect, it is important to think how the actions of the “West” – however defined

– have created a space for China to operate within. A space created by the negative perceptions of the actions and motives of actors from the “west” – or perhaps more important in your case, actors associated with the west. A space that perhaps allows China to simply increase its own relative position by not actually standing “for” something rather than simply standing “against” something; simply not being the west and not having an ideology (but having resources to invest) is enough .

China as Responsible Great Power

When speaking to Chinese officials in Beijing, the extent to which the actions of individual Chinese companies and traders affects local views of China is becoming increasingly common. The more the outward investment regime is liberalised to facilitate the “go global” 走出去 strategy, then the harder it becomes to control the actions of those who carry China’s reputation with them.

And reputation is important for Chinese policy makers. What happened in 1989 did much to damage the national image, but in some ways it is what happened from the second half of the 1990s that is more important. In short, China’s economic success generated concerns that this would lead to a rising China that would threaten the existing global order, and maybe even global security – what is known in China as the “China threat theory” 中国威胁论. Crucially, China’s leaders began to fear that this might harm China’s long term security (broadly defined). If other countries feared China, then they might form alliances with the US to contain this rising power. At the very least, they might restrict China the economic contacts it needed to fulfil the increasing domestic demands for economic successes. For example, those charged with investing China’s foreign currency reserves overseas are very much aware that the vision of what China is can be important in mobilising popular and political opposition to Chinese projects – something that has become very clear in Australia for example.

Thus, we have seen a move to promote an image to China's neighbours and to the west of China as responsible great power 负责任(的)大国 committed to the promotion of peace, harmony and wealth for all. To be sure, China might want to change elements of the global order, but it is willing to do this through participation and discussion within the existing order rather than by challenging it from outside. Indeed, it's not just that a rising China doesn't challenge the interests of others, but that China's rise actually benefits others (in providing new low cost production, a new and growing market and so on).

This image has partly been promoted through the promotion of a new cadre of diplomats - particularly in Asia. Diplomats who know the language and culture of their host locations and who have been tasked with establishing this new image of China in their interactions with locals. It is also achieved through the promotion of a new state ideology. The original idea of the 'Peaceful Rise' of China' 和平崛起 first proposed in 2003 was dropped relatively quickly because it generated as much attention on the 'rise' as it did on this rise being peaceful. It has now been replaced by 'Harmonious World' 和谐世界 or sometimes peaceful world 和平世界 or peace and development 和平与发展. But the basic idea of China as benign and a force for peace, stability and growth for all remains, and is a message that China's leaders rarely miss the chance to reaffirm.

There has also been change in China's policy towards some of its partners – or more correctly, how China explains its policy with its partners. Criticisms of Chinese support for Mugabe re-emerged when South African dock workers refused to unload a cargo of arms from the An Yue Jiang in Durban in 2008. And it's not just that China supports these "pariah" regimes, but that it doesn't do enough to influence its allies – for example, when Buddhist monks took to the streets in anti-Government demonstrations in Myanmar in 2007. Over the last couple of years, there appears to have been a change in official policy in response. Rather

than simply reject the western global order, officials increasingly point to China's contribution to peace, security and wealth and the maintenance of the existing global order.

Bringing Public Opinion Back In

But even this distinction between "different" and "responsible" oversimplifies the issue.

There is more to Chinese policy making than just the actions and interests of the top leadership and elite policy makers. Public opinion is playing an ever increasing role as the CCP tries to change its relationship with the people through a process of democratisation. This is not western style liberal democracy in the making (at least, not intentionally), but making one party rule more transparent and predictable on one hand, and more listening and responsive to the people's interests on the other. In particular, the internet has become a key means of articulating interest. But rather than becoming a vehicle for the articulation of moves towards a liberal polity, instead the promotion of nationalism has been the overarching concern. Indeed, if there is criticism of the leadership, it is typically for not being hard-line enough in promoting national interests.

Thus, the leadership has not only to balance its own internal conflicts between "responsibility" and "difference", but also to balance its own understandings of rational action with the demands of the Chinese people. For example, one official told me that while the global economic crisis had made it increasingly possible to buy foreign financial assets, public opinion was against it (partly because of the losses incurred from buying into Blackstone and others just before the crisis and partly because of the feeling that any money that was available should be spent at home).

In terms of aid agendas, whilst Africans in this discourse are often typecast as lazy and promiscuous in at times xenophobic ways, giving aid to Africa is generally conceived of as good as it reinforces an emerging national pride as having moved up from the ranks of the underdeveloped (and having moved up very quickly on China's own terms).

The same is true about Latin America which is conceived of as “backwards” and corrupt in contrast to China’s own economic success and dynamism (though we should note that a fair amount of the domestic online political discourse focuses on the apparently endemic state of corruption in China itself). However, this general understanding is tempered by the possibility of a socialist revival in the region which generally generates positive comments – and interestingly, each country’s relationship with the US is linked to perceptions of that country’s development – at the risk of oversimplification, a close link with the US means increased social stratification, massive inequality and social strife. Anti-Americanism equates with socialist revival and the potential to emulate China’s own success.

Perhaps most notably of all is the way in which the distinction between the Chinese leadership, the Chinese state and the Chinese people is very weak. Or put another way, a criticism of a Chinese leader is taken as a criticism of the Chinese people as a whole. Thus, the “attack” on the Olympic torch during its relay in France is not taken as a criticism by an individual over the Chinese government’s policy in Tibet, but a French attack on the Chinese people. The result was a boycott of France as a whole, including the French firm Carrefour – which ironically overwhelmingly sells Chinese made goods in its stores in China and has done more than many to “localise” its activities in the Chinese economy. So even the activities of NGOs can be identified with the policy of states, and the policy of states can impact on the way that NGOs are perceived and treated.

Conclusion

There are times at which the apparently Janus faced identity of China as different and responsible come together. For example, in 2009, China established a US\$10 billion investment fund to support infrastructure projects in ASEAN states to help them cope with the global crisis. Notably, the creation of the fund occurred at a time when many in China

and the rest of the region were expressing concern that the IMF was too focussed on helping the already relatively rich overcome the impact of the crisis. Where the West had failed, China showed itself to be “differently” über-responsible in helping its neighbours.

So in pragmatic material terms, China is becoming increasingly important for the rest of the Asian region as a source of finance and, if the Chinese economy recovers as planned, should become an even more significant market in its own right for regional producers (as opposed to an intermediate market for resources used to produce exports to other final markets as has been the dominant economic pattern to date). The same understanding could be expanded to other parts of the world – in particular to Africa.

Thus, while Chinese policy is clearly important, what others do (or don't do) is also hugely significant in creating the environment/ space for China to operate in. And defining the most appropriate response to China's engagement of the developing world in the wake of the global crisis is not easy. Turning inwards to solve the West's own problems increases both China's scope of action and also the morality of Chinese engagement at a time of crisis. But the West is hardly in a strong position to espouse the virtues of its own liberal model when (economic) neoliberalism seems to be the cause of the current crisis.

But we should not make the mistake of thinking that there is a single response to Chinese initiatives and policies in developing countries. Whilst some welcome the alternative that China presents, others resent what appears to be a new wave of exploitation wrapped in the guise of a new “different” form of engagement. Just as China is a more complex society than top down authoritarian models might suggest, so too are those societies that are increasingly coming into contact with varieties of Chinese actors.