

AS A GLOBAL LEADER, BEIJING WILL NOT DEVELOP ALONG WESTERN LINES

# China will be a different, benign power

*China has shown enormous capacity for reform in the past three decades without the need to move towards a Western-style system — a point greatly underestimated by the West, said prominent China expert Martin Jacques in a wide-ranging interview with TODAY's Celene Tan this week. Dr Jacques also said that the Chinese Communist Party does not need economic growth to legitimise its rule and he believes China will grow to be a benign power. Below is an excerpt from the interview.*

**The latest issue of Foreign Affairs painted a picture of China as a country facing the classic challenges of the middle phases of development. It said China's existing institutions may not be able to manage the country's problems in the long term and Beijing seems unlikely to adopt the reforms that could help because they would threaten the Communist Party's hold on power. What are your views on this?**

China has done extraordinarily well over the past 35 years. It has shown an enormous capacity for reform, not only economic reform, but also political reform. Because if you're growing at roughly 10 per cent a year, your economy is doubling its size every seven years. Now, more like every 10 years with the current growth rate. It's impossible for the institutions to cope with this level of change without being constantly reengineered and reinvented. Generally, this has been greatly underestimated in the West. Foreign Affairs is a sort of journal of the United States foreign policy establishment — generally they don't recognise this political reform because the only political reform they recognise is that which is moving China closer to the West. So, if it's not doing that,



A man looking at the Pudong financial district of Shanghai. One of China's two main forms of influence in the world would be economic because it is going to be so large, says Dr Martin Jacques. PHOTO: REUTERS

then it's not acknowledged, really.

The first thing to say is China just has a very, very good track record, especially in governance. This, more than any other single factor, except for broad historical reasons, is why China has transformed itself. The government has been a brilliant leader of China's transformation. You have to remember, this is the most remarkable economic transformation in human history. It far exceeds anything the West has managed to achieve — Britain, America, etc.

Now, it's true that China is now approaching a new set of problems. If you're a very poor developing country as China was, you'd face colossal problems, so it's not new to have problems. These problems are distinctive

because at each phase of your development, you have new problems, and the biggest single problem it has now is to shift the nature of its economy from one which is driven by exports and investment, to one driven by more emphasis on the domestic market, and more emphasis on value-added production and higher labour productivity. That is a difficult transition to make, but not an impossible transition.

So the question here is (whether) the institutions of governance, the Communist Party, single-party system and so on, would be able (to succeed) only if they adopt a Western-style government system. I fundamentally disagree with this. I think that we are not likely to see a major reform towards a Western-style system

● Dr Martin Jacques is visiting professor at the Lee Kuan Yew School of Public Policy and author of *When China Rules The World*.

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and I don't think it is a precondition for China's transformation.

On the contrary, I think that China's government system, in some ways, increasingly is one in which the West is going to have to learn from. I don't mean it should adopt the Chinese system, but the Chinese system does have advantages over the West, as well as some difficulties. And the advantage that it has is its sheer competence. Actually, what the Chinese government system is really good at doing is being very efficient and — as well as a capacity for reform — a lot of continuity. I think the Chinese state, especially given that it is a developing state, is hugely competent. The problem with that way of thinking is that it is the traditional Western view about China and it has been served up in many different versions over the past 30 years, and it's always been wrong. So far, it has always been wrong.

**Do you think that the Chinese Communist Party uses economic growth to legitimise its power? With its growth slowing down and heightened fears of a hard landing, do you foresee a change in how the party legitimises its rule? Will the Chinese people accept it?**

In all the polls you see, like the Pew Global Attitudes surveys, China records the highest levels of satisfaction in government, of any country in the world. I think there's a huge reservoir of goodwill in China towards the government. I don't mean there aren't lots of protests and grumbles — of course





A girl with her grandmother at a lantern market in the Confucian Temple of Nanjing. China will exercise, as it becomes more developed, a big cultural influence. PHOTO: REUTERS

there are, that's absolutely to be expected. But basically, there's a reservoir of profound goodwill towards the government in China. If it really had a serious hard landing, if it did what Japan did at the end of the bubble, then it would obviously affect public support. But I don't think that's going to happen. I think it's going to have a reduced growth rate because of where it has reached economically, but it's not going to be anything like what happened to Japan.

The other thing is, the high level of satisfaction in China with the government is, of course, related to its economic success. But I don't think that it's only about economic success. I think what we have to do is understand what China is, where it's worked, the nature of its culture and so on. The Chinese state is an extremely important institution in China. It's much more important even than the government here (in Singapore), and the government here is important because you're a predominantly Chinese society, you have certain Confucian traditions in Singapore as well. But, of course, in China they're a lot stronger.

The way in which government is regarded in China or in Confucian societies is different from Western societies. Western societies have a very kind of instrumentalist, utilitarian view of what they expect from government. That's not true in China. The government in society is a much more deeply-rooted phenomenon; people view it not in a utilitarian-instrumentalist way, but more in a familial way, like a parent — it's true here as well. And so, these are also extremely important sources of the legitimacy of the Chinese government. In fact, if you ask me, in the long run, I think they're more important than economic success actually. China is not like the West, never has been, isn't now, and never will be. And the reason Westerners, in particular, have got China so wrong, so often, is because they think it should be.

**Seeing as China is so different from the West, and you mentioned earlier that it can even learn from the Chinese system, what can the West learn from China?**

China is a developing country, the most successful and powerful devel-

oping country. So what China offers the world at the moment is, first and foremost, (lessons for) the developing world, not the developed world. But this is very important because, remember, 85 per cent of the world's population live in developing countries. And in the developing world, as you can see, whether you're in Africa, or East Asia, or Central Asia, or Latin America, China is seen as an example of what can be achieved. Therefore they ask a question: "What can we learn from China?"

A lot of the reason for the success of the Asian Infrastructure Investment Bank (AIIB) is China has a proven track record, it understands development because it's a developing country and it understands the centrality of infrastructure to development, in a way that, for example, the Americans don't. So, China's influence in the developing world, and the respect for it, is very high.

Now, in the developed world, I'd say that it's a different paradigm, because China is not a developed country, therefore what it offers developed countries is a work in progress, rather than the finished article. But over time, I think China is going to be very rich in the developed world as well, assuming that it keeps successful development, which I expect it to do.

**The initiatives such as the AIIB and the One Road, One Belt, demonstrate China's eagerness to project its influence in the region and beyond. Will China grow to be a benign power?**

Well, I think it's going to be a very different kind of power from the US and Britain. I think that if you look at these countries, their global influence has had a great deal to do with military and political power. I mean, America rings the world with military bases and relies hugely on military force. And if you talk about European powers, they colonised large parts of the world.

The Chinese tradition has been very different. The Chinese never had a colonial empire, they had this tributary system, but that was very different, by and large, it didn't involve military force — there were wars, but



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it wasn't that China had conquered countries. It didn't take territories, it, by and large, didn't replace rulers. Its history was very different from Western history.

Historically, China has been very preoccupied with itself and I think this is always the priority with China. It is so challenging to govern, inevita-

bly, its priority is domestic. I don't think for historical reasons and for cultural reasons, that China will develop along Western lines as a global power. I think this also will be true of what China will be like as a great power.

I think one of its two main forms of influence in the world would be economic because it's going to be so large — already even though its liv-

ing standards are only one-fifth of America's, it has an economy of the same size, and it's projected by 2030 the Chinese economy will probably account for one-third of global gross domestic product, and will be twice the size of the American economy. So China's going to be vast economically, it's going to have a huge market, it's going to have very big companies, it's



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going to have very technologically advanced companies because it has such a huge market it's going to probably in effect set the standards in lots of different products and technologies. Not now, it's beginning to now, but in the longer run, in the next 20 years, we'll see a big change.

The other (form of influence) is cultural. I think, historically, what was important for China in its heyday was that it took great pride in its culture. "The land under heaven", "the Middle Kingdom" — it saw itself as the most advanced culture in the world, with very advanced forms of governance, statecraft and so on.

It has always had a kind of moral order, if you like, in Confucianism about how to behave and what is acceptable behaviour. Its emphasis in the importance of education is very different from the West. The Chinese, historically, have for 2,000 years recognised the centrality of education. So I think China will also exercise — not so obvious now — but over time, as it becomes more developed, a big cultural influence.

Will it be a benign power? On the whole, yes, I think it will be a benign power.

**China has been trying to, to use Western terminology, "challenge the status quo" in other ways, and assert itself in the region and beyond, would you agree with that?**

I would avoid the use of the term "assert"; I mean, we should try to find another word because China has 20 per cent of the world's population, it has grown to the size of the US economy; inevitably, the ramifications of China's rise are being felt beyond its borders. The whole phenomenon of the Asian miracle, the Asian tigers, was about being successful in the international market. So China, in that sense, is not very different from the other Asian tigers, except that it is written on a huge scale because it has such a large population.

The standard American criticism of China has been, "You're a free-rider, and when you do things, you do things on your own; why don't you take responsibility in a more multi-lateral sense as an actor on the global stage?" So China did it. President Xi Jinping in 2013 came up with the idea of the AIIB and it is China's first-ever initiative of this kind, and what happens? The Americans oppose it. And the great majority of countries in East Asia, South Asia and Central Asia sign up for it. Not only that, but even the Europeans signed up for it. So it was a hugely positive response.

In the developing world in Asia, the big problem is infrastructure. That is the biggest constraint to growth. And we need very large amounts of money, huge resources, to be able to fund this. So this bank is designed to do that.

It's obviously a good thing and that's why countries have been voting for it and the Americans are sulking because all their friends have deserted them. Well, not all their friends, but a lot of them, except Japan.

Tomorrow:

● Dr Jacques talks about Hong Kong, Taiwan and China's anti-corruption campaign.