

Will China be a “Threat” to Its Neighbors and the World in the Twenty First Century?

Jiang YE

Abstract

This article examines, from both the liberal and realist perspectives, whether the perception of a “China threat” has any validity and reflects the reality of international relations either on the East Asian regional level or on the global level in the new century. Although with the power-structure analysis there are surface merits in the arguments about the “China threat”, some obvious and common limitations still exist when scrutinized against the changing international system impacted by the historical trend of globalization. China’s engagement with the world market and the multilateral international economic organizations is accompanied by its involvement in international and regional security institutions and all of these actions must cause anyone to be very cautious when arguing about the threat of China in the new century. On the other hand, in terms of China’s low per capita GDP, its comparatively low military budget, and the serious challenges in its domestic affairs, China’s national power has not been increased to such an extent that it will threaten the security of the region and even that of the world let alone that Confucian peaceful tradition is still playing the role in China’s foreign policy.

Whether China — an emerging or a rising power in the East Asia region and in the world — will be a “threat” to its neighbors and even to the United States within the next few decades is a big issue that have been widely discussed in the Western IR academic circle and among Western and Japanese political elites. Most Western neo-realist IR scholars have already drawn a dark picture of Eastern Asia regional security with a pessimistic view about “China threat”.

Visting Professor at College of International Relations, Ritsumeikan University, Japan,
Professeor, Humanity College, Shanghai Normal University, China.

© The International Studies Association of Ritsumeikan University:
Ritsumeikan Annual Review of International Studies, 2002. ISSN 1347-8214. Vol.1, pp. 55-68

Influenced by those Western neo-realist analyses of “China threat” in the 21st century, some well-known Japanese politicians, such as Shintaro Ishihara,¹ have also expressed their concern about the “threat” from China in the new century. In late 2001 Shintaro Ishihara warned in an article: “In light of China’s rising economic and military might, as well as its territorially expansionist policies that directly threaten this island nation, Japan can no longer risk placing its security entirely in the hands of another power. As a sovereign nation, we must develop an autonomous defense capacity of our own.”² In international relations, the perception of intent or threat is more important than the intent or the threat itself in shaping foreign policies. This article will examine, from both the liberal and realist perspectives, whether the perception of a “China threat” has any validity and reflects the reality of international relations either on the East Asian regional level or on the global level in the new century.

The Arguments of “China Threat”

Most Western scholars who have argued that China will be a threat to the security of East Asia in the new century choose to use power structure transformation analysis to support their point. The power structure perspective is one of the hallmarks of neo-realist paradigm. According to this paradigm, when any state becomes wealthier and more powerful, it will inevitably seek greater regional and then world-wide political influence, which will cause the change of the power-structure in the region and in the world. The change of the power structure caused by the burgeoning of a newly rising regional and world power usually poses a long-term danger for the security of the region and even for the stability of the world. While a rising power’s total strength aggregates and expands, it will be more capable of furthering and expanding its national interests in the region and in the world, which will cause those established powers that want to maintain the status quo to react fiercely. Under such circumstances the newly rising power will wage large-scale wars to revise or overthrow the established order in the region and even in the world.

Needlessly to say, China is a rising power in the East Asia region and to some extent in the world from the end of the last century to the beginning of this

1. Shintaro Ishihara is the governor Tokyo, Japan.

2. Shintaro Ishihara, “Chinese Threat is Axis Around Which U.S—Japan Relations Will Turn in the Future” 2001, Global Viewpoint. Distributed by Los Angeles Times Syndicate International, a division of Tribune Media Services.

new century. According to the power structure analysis and the “established power versus rising power” pattern, under the current power configuration in East Asia, China is a threat to the security of East Asia region and the United States and its main ally in East Asia — Japan, both being the established powers whose motivation is to counter-balance the rising power. Based on this analysis some Western IR scholars have predicted with pessimism that Asia is likely to see more international conflicts in the near future.³

According to those scholars, the history of international relations also strongly supports their argument. In late 19th century and in the period between the two world wars, Germany turned out to be the threat to the security of the West Atlantic region as an emerging and rising power. It was Germany’s aspiration to expansion that caused the two world wars. Just like Germany, Japan was a rising power before the Second World War and its expansion in the Pacific region in the 1930s and 1940s eventually led to the Pacific War. It is said that history is the great laboratory within which international action occurs.⁴ The historical pattern that a rising power dissatisfied with its secondary status may try to enhance it by confronting the dominant but declining country seems universal. According to one realist study in the West, war is most likely when the power of a rising, dissatisfied country becomes equal to that of a dominant state. Then “power parity provides the opportunity to act for those who are committed to changing the status quo.”⁵ The logic has been applied to China as a rising power seeking to change the status quo in the East Asia region.

Some Western scholars even argue that besides the fact that China is a rising power, Chinese assertiveness is also caused by its history and its domestic affairs, which makes China a threat to its neighbors and even to the United States. For example Michael D. Swaine and Ashley J. Tellis pointed out that “China’s history memory of past greatness and the desire to restore previous eminence; its determination to erase the painful legacy of a century of national humiliation; its desire to recreate the traditional sino-centric world order as a means of regulating political and economic structures of super-ordination and subordination; its belief

3. Such prediction can be seen in the following books such as, Michael E. Brown, et al, eds., *East Asia Security*, (MIT Press, 1966), Robert Ross, et al, eds., *East Asia in Transition— Toward a New Regional Order*, (M.E. Shape. Inc. 1995), Mutiah Alagapa, *Asia Security Practice: Material and Ideational Influences* (Stanford Univ. Press, 1998), Michael D. Swaine and Ashley J. Tellis, *Interpreting China’s Grand Strategy: Past, Present and Future* (Rand 2000) etc.

4. Morton A. Kaplan, *System and Process in International Politics* (New York: Krieger, 1976) p. 3

5. Douglas Lemke and Suzanne Warner, “Power Parity, Commitment to Change, and War.” *International Studies Quarterly*, 40: 235-260, 1996.

that China's external security in the past was primarily assured by a strong state able to dominate or at the very least neutralize the strategic periphery; and so on."⁶ At the same time the domestic situation in China is also cited as an argument about the Chinese threat. According to most Western scholars' view, China is either an authoritarian state or a state shifting slowly from authoritarianism to democracy. The domestic political conditions are such that the competitors for leadership in China usually adopt aggressive foreign policies that would garner popular support with nationalist sentiments on the one hand, and elite support from the institutional remnants of authoritarian rule, especially the military, on the other.

Liberal Perspectives on the Issue of "China Threat"

Although the arguments cited above are with surface merits, there are some obvious and common limitations to them when scrutinized against the changing international system impacted by the historical trend of globalization. When western neo-realist IR scholars try to apply power structure theory to analyze the "China threat," they seem to neglect the fundamental structural changes in the international system. It is quite clear that the power structure theory emphasizes the strength of the states and treats the states as the dominant actors in the international system. But for all the strength of states as the principal actors in the international system, the dominance of states as the focus of political authority is declining with the impact of globalization on the international system since the end of the Cold War. For example now any state is not only unable to decide the exchange rate of its own currency in terms of economic power but also unable to decide go to war as easily as previously in terms of political power. Although what will fill this power vacuum is still the issue, we can argue that the behaviors of the state, whether an established power or a rising power, have changed in the changing international system. Using the power structure analysis without noticing or mention the fundamental changes in the structure and in the actors in the current international system, the arguments about the threat from China as a rising power appears less persuasive.

Actually it is against the background of the systemic changes in the international relations influenced by the quicken paces of the globalization since the end of the Cold War that China's economic and to some extent its military

6. Michael D. Swaine and Ashley J. Tellis, *Interpreting China's Grand Strategy: Past, Present and Future*, (Rand 2000) p. 198.

power is growing. In other words, Chinese economic power has been increasing almost simultaneously with the rapid development of globalization from the late 20th century. Just as Thomas L. Friedman described, “a new international system has now clearly replaced the Cold War: globalization. That’s right, globalization — the integration of markets, finance, and technologies in a way that is shrinking the world from a size medium to a size small and enabling each of us to reach around the world farther, faster, and cheaper than ever before. It’s not just an economic trend, and it’s not just some fad. Like all previous international systems, it is directly or indirectly shaping the domestic politics, economic policies, and foreign relations of virtually every country.”⁷ Friedman’s description of globalization may exaggerate the case to some degree, but most people would agree that globalization has directly or indirectly re-shaped the foreign relations of almost every country big or small, including the United States, an established power, and China, a rising power.

No doubt, globalization has led the integration and the interdependence of all the actors in the international system to an unprecedented degree and the cooperative attitude of the state — still the main actor in the international system. Importantly, China as a rising power seems to be orienting itself much more than the established powers towards cooperation, because it perceives that the political authority of the states in the contemporary international system is in decline. For example, Chinese premier Zhu Rongji went to Washington to discuss China’s admission to the World Trade Organization, in April 1999 when NATO led by the United States was conducting air strikes against Yugoslavia, which China did not support and during which Chinese Embassy was hit by U.S. missiles. Obviously, the Chinese premier’s visit reflected the tremendous change in Chinese attitude toward the international system. Unlike Germany in the late 19th and early 20th century or Japan in the period between the two world wars, China as a rising power prefers to merge into the international cooperative regimes like WTO and tries its best to cooperate with the established powers and follow the international norms and rules. The behavioral change of the rising power is caused by the changes in the international system. In the traditional international system dominated by power politics the level of integration and interdependence was very low because there were no efficient international organizations such as WTO, IMF, World Bank, etc, nor were there any orientation towards cooperation for both the established or the rising powers.

7. Thomas L. Friedman and Ignacio Ramonet, “Dueling Globalizations: A Debate Between Thomas L. Friedman and Ignacio Ramonet” *Foreign Policy*, Fall 1999, pp110-127. p110

While in the contemporary international system pushed by the force of globalization both established powers and rising powers are willing to cooperate with each other. With the behavioral changes of the actors in the contemporary international system in mind, it will be easier for us to find the flaws in the arguments about China threat.

The Chinese official attitude towards the phenomenon of globalization can also help us to see how the structural change of the international system since the end of the Cold War has influenced the rising power itself. According to China's official statement, economic globalization is an inevitable trend of the economic development of the contemporary world. The Chinese government openly admits that "since the beginning of the 1990s, with the end of the Cold War, science and technology have developed rapidly and transnational companies have continued their expansion. The globalization process has obviously sped up, with conspicuous expressions found in the accelerated flow and disposition of production factors in the global sphere, the deepening of mutual influence of the economies in various countries and the strengthening of interlinks."⁸ With the guidance of such a new ideology that moved away from orthodox Marxism, China has adjusted its attitude toward the world economic system from self-reliance to cooperation. China has already become a member of the IMF, the World Bank, and other international economic institutions and has been very active in those institutions that it once condemned as tools of capitalist imperialism. In December 2001 Chinese government proudly declared to the world that China had become the member of the WTO after long negotiations with United States and the European Union. All these actions exhibit clearly the willingness of the Chinese government to integrate China into the world market system and catch up with the quick pace of globalization. This is in sharp contrast with the actions of Germany and Japan in the period between the two world wars. Germany and Japan carried out autarkic economic policies in the 1930s, which led them to leave the world market and caused them to confront the established powers like Great Britain and United States. In contrast China has not only shifted its attitude towards the world market from self-reliance to cooperation but also has been taking a more active role in those international economic regimes.

One of the main reasons why China as a rising power has not followed the examples of Germany and Japan in the 1930s is that the international system has changed. All states — the main international actors — operate in the

8. "China's Independent Foreign Policy of Peace" from
<http://www.chineseembassy.org.uk/Diplomacy/Foreing-Policy>

international social-economic-political geographic environment and the specific characteristics of the international system help determine the pattern of the behaviors and intentions of the states. In the traditional power politic international system before World War Two there were few international cooperation regimes to regulate the behavior of the actors and the space for the rising powers was so narrow that the main method for them to further their national interests was to concur and conflict with the existed powers. While under the development of globalization the international cooperation regimes are playing more and more important roles in the present international system and it will be more difficult for the rising power to further its national interests without cooperation with other powers within those regimes. That is why China has tried and is still trying its best to join and to act positively in the international organizations such as UN, WTO, IMF, and so on.

China’s engagement with the world market and the multilateral international economic organizations is accompanied by its involvement in international and regional security institutions. The past few years have already seen the increasing interests and willingness of China to embrace the multilateral security mechanism, including its engagement with ASEAN Regional Forum (ARF). The ARF was initially established as a partial response to the territorial disputes (South China Sea) with China and the concerns of US military readjustment in East Asia after the Cold War. China’s engagement with ARF, the regional multilateral security institution, has been widely recognized as a significant contributing element to encourage the development of features of inclusive nature of multilateralism. China’s participation in the security institutions⁹ shows that in the globalized international system self-interested actors prefer to construct institutions to enhance cooperation on security issues. Perhaps the adjustment of China’s behavior came from its anticipation of other states’ preference for cooperation within international security institutions, or from the institutions’ monitoring and sanctioning provision. But the fact remains that China is experiencing a kind of socialization under the international security institutions.

9. According to the research by Alastair Iain Johnston and Paul Evans, there is no question that China’s participation rate in international security institutions, as a percentage of all possible agreements it has been eligible to sign, have increased dramatically over the 1980s and 1990s. That China’s accession to multilateral arms control agreements increased rapidly is not simply a function of an increasing number of international security institutions; that is, the rate of increase in China’s participation has been faster than the rate of increase in new international security regimes. See Alastair Iain Johnston and Robert S. Ross ed., *Engaging China —The management of an emerging power* (Routledge London and New York 1999) p.238

It is worth noting that China's confidence and further interest in deeper and broader participation in the regional security regimes improve its cooperation quality in reinforcing the process of norm diffusion. With all of these in mind, one must be very cautious when arguing about the China threat in the new century.

It is quite common for Western IR scholars to argue that Chinese history and its domestic affairs cause China to prefer assertiveness strategy that will lead to China's threat to the region and to the world. But a deep appreciation of Chinese history and its culture would tell one that such argument is lopsided if not prejudiced. The Chinese are proud of their culture and long history, and the traditional Confucian ideology of "restraining oneself and restoring the ritual to the world" has taught the Chinese not to impose its culture or world view upon others. Traditionally, Chinese elites would rather lead by example than by forceful conversion when China was a dominant power in the region in pre-modern times. Even when communist ideology prevailed and China's foreign policy contained an element of exporting revolution, China was much less active than was the Soviet Union in trying to convert others. This is not to say that there have never been any assertive or aggressive elements in Chinese foreign policy. The point is that under the strong influence of Confucian tradition China has been modeled and cultivated to be reactive rather than aggressive. While there were assertive and aggressive elements in terms of military action on the part of China in pre-modern times, many Western scholars have pointed out that historically Chinese military action has been defensive or punitive in nature and seldom imperialistic. Even the late Gerald Segal, a prominent western scholar for Chinese studies who was not so friendly to China, also conceded the same point in his book *Defending China*.¹⁰ From a Chinese perspective, military force is only used for domestic stability as in the case of Tibet and Taiwan or for national defense as in the case of Korea, India, and Vietnam.¹¹ The traditional Confucian doctrine of "mean and mediocre" has helped the Chinese to adjust itself with ease in the transition from the great power politics to the current international politics that places emphasis on multilateralism and interdependence with the backdrop of globalization.

Since the People's Republic of China was founded, the pillar of China's foreign policy has been the "Five Principles of Peaceful Coexistence" laid out by the late Premier Zhou Enlai. Although Chinese behavior in the international community during the Mao era often contradicted the "Five Principles" to some

10. See Gerald Segal, *Defending China*, Introduction (Oxford Univ Press, 1990)

11. Soong-Bum Ahn, "China as Number One" *Current History*, September 2001, pp.250-256. p 251.

extent¹², such a contradiction has largely disappeared since the 1980s when Deng Xiaoping began to change Mao’s revolutionary ideology and initiated the policy of reforming and opening up to the world. With considerable speed the Chinese economy has been moving into global capitalist market system while extensive economic and cultural ties have already developed between China and the rest of the world especially between China and the West. It has been estimated that since the beginning of the 1990s’ as much as 20-40 percent of China’s gross national product has come from foreign trade.¹³ This certainly will lead China to persist in the policy of the Five Principles of Peaceful Coexistence in dealing with any other countries, especially with its neighbor countries such as Japan and its main trade partners like USA. A breakdown of the relationships across the Pacific would be disastrous for China. Roughly 35 percent of China’s exports go to the United States. Moreover two of its most important trading partners, Japan and South Korea, also depend on their ability to export to the American market.¹⁴ It is hard to imagine that China will be able to make any profit by de-stablizing the stability of the Pacific region or by stirring up trouble with United States.

Realist Perspectives on the Issue of “China Threat”

The above comments on the theory of “China threat” are made through liberal IR theories such as the theory of globalization analyzed by liberal IR scholars. Needless to say, it is mainly the realist IR theory that helps Western analysts to argue about the “China threat”. As well known, power politics is the basis of realist IR theory. For realists international relations are best understood by focusing on the distribution of power among states, because relations among states take place in the absence of a world government, which means that the international system is anarchical. According to those who have argued that China has been or will be the “threat,” it is mainly because China’s national power has been increased recently that the international power structure has undergone great changes, which will lead China to be a “threat” to its neighbors in the region and to the world at large. But even if we agree with the method of realist argument, we still need to ask a key question — whether China’s national

12. just as I have discussed in the previous paragraph, even during Mao era Chinese revolutionary foreign policy was much less aggressive than Soviet Union’s revolutionary foreign policy.

13. Nicholas R. Lardy, *Foreign Trade and Economic Reform in China, 1978-1990* (Cambridge University Press, 1992), app.

14. Soong-Bum Ahn, “China as Number One” *Current History*, September 2001, pp.250-256. p 252.

power has really increased to such an extent that it will threaten the security of the region and even that of the world.

Power is hard to measure because it is hard to create a formula that allocates realistic relative weights to military might, economic capacity, leadership capability and other factors in the power equation. On the other hand power is constantly in flux which means power is dynamic. In order to create a framework to measure power according to its characteristics, most IR scholars tend to agree that when we measure any state's power it should be divided into two types, one is "hard power" or "coercive power" and the other is "soft power" or "persuasive power". Any state's military, economic and other assets contribute to "hard power" which traditionally can make another countries to do or not do something. The assets as moral authority or technological excellence that enhance a country's image of leadership contribute to "soft power". With the division of the two types of power in mind, let us measure whether China's power has been great enough to be a threat in a realistic way.

As anyone agrees, China is a rising power. From 1979 to 1997 China's GDP grew at an average annual rate of 9.8% and even against the background of Southeast Asia financial crisis, China's GDP grew at 7.8% in 1998 and even above 8% in 1999. From 2000 China's real GDP began to exceed US\$1,000 billion.¹⁵ According to Chinese official data that China's 2001 real GDP has reached 9,593.3 billion Chinese Yuan which almost equals to US\$1.16 trillion.¹⁶ China's GDP is now the seventh largest in the world and mainland China (except Hong Kong) is now the tenth-ranked international trader. China's foreign currency reserve is the second largest in the world after Japan. Yet, if we read all these numbers against the background of China's huge population the picture will be quite different. China's population has already exceeded 1.3 billion, which means that China's real per capita GDP is only 7379.46 Chinese Yuan or less than US\$1,000. Even according to CIA's questionable PPP (purchasing power parity) estimation, Chinese per capita GDP is US\$3,600, much lower than the world average US\$7,200, and ranked at 133th.¹⁷ With such low per capita GDP China at best can be ranked as a median ranged power that Gerald Segal described in his article, "Does China Matter?" in *Foreign Affairs* in 1999.¹⁸

Just as China's per capita GDP shows that China's hard power is not as

15. All the numbers from "MAIN INDICATORS OF NATIONAL ECONOMY, P. R. CHINA" <http://www.chinese-embassy.org.uk/economy/Gnereal-Economic/MAIN%20INDICATORS.htm>; and People's Daily, <http://search.peopledaily.com.cn/trswas/Detail.wct?SelectID=4744&RecID=0>

16. http://english.peopledaily.com.cn/200203/01/eng20020301_91199.shtml

strong as those who argue about the “China threat” have imagined, China’s real military power, which is the core of hard power, remains a second-rate power. According to China’s official announcement that from this fiscal year 2002-2003, China’s defense spending will have a 17.6 percent increase. Actually China has already raised its military budget by one-third over the course of the last two years. But considering the gap between China’s US\$20 billion defense budget and the US defense budget of about US\$ 400 billion, or even the disparity between China’s defense budget and the Japan’s US\$40.77 billion defense budget, China’s military power should be considered very limited, to say nothing of the immense and growing technological gap between China and the U.S. or Japan. Just as former US assistant secretary of defense Lawrence J. Korb expressed in a recent article: “China is not, and is extremely unlikely to be, a strategic military threat the way the Soviet Union once was.”¹⁹ Some Western sources and analysts prefer to estimate China’s defense budget much bigger than China’s officially announced figure. The estimation by CIA of China’s defense budget put it in the range from \$45 billion to \$65 billion for 2002, which still shows a big gap between China and the U.S. in military spending. If we use the per capita defense expenditure index, the gap between China, the U.S. and Japan will be huge.

17. http://www.worldfactsandfigures.com/gdp_country_asc.php

GDP dollar estimate for a country derived from purchasing power parity (PPP) calculations rather than from conversions at official currency exchange rates. The PPP method involves the use of standardized international dollar price weights, which are applied to the quantities of final goods and services produced in a given economy. Whereas PPP estimates for OECD countries are quite reliable, PPP estimates for developing countries are often rough approximations.

18. Segal argued: “At best, China is a second-rank middle power that has mastered the art of diplomatic theater: it has us willingly suspending our disbelief in its strength. In fact, China is better understood as a theoretical power—a country that has promised to deliver for much of the last 150 years but has consistently disappointed. After 50 years of Mao’s revolution and 20 years of reform, it is time to leave the theater and see China for what it is. Only when we finally understand how little China matters will we be able to craft a sensible policy toward it.” *Foreign Affairs*, September/October 1999. Although China seems not matter as little as Segal described, China’s second-rank middle power status has not changed much considering its per capita GDP since Segal’s description of China’s status four years ago.

19. Lawrence J. Korb, “China is not, and is unlikely to be, a strategic military threat the way the Soviet Union once was” from http://www.insightmag.com/global_user_elements/printpage.cfm

Country	Military expenditures — dollar figure	Military expenditures — percent of GDP	Military expenditures — per capita dollar figure
China	\$20.048 billion (\$45 billion to \$65 billion)	1.6% (3.5% to 5.0%)	\$15.61 (\$35.03 to \$50.61)
USA	\$276.7 billion	3.2%	\$986.23
Japan	\$40.7743 billion	1%	\$321.12

Data are from CIA, World Fact Book, 2002²⁰. Chinese data are estimated in 2002 (the Chinese data in the brackets are estimated by CIA), Japanese data are estimated in 2001 and the US data are estimated in 1999. Considering the huge increase of defense budget in the Bush administration since 9.11,2001, the number in the American column should be much bigger²¹. The figures of per capita military expending calculated by the author of the article.

While China's hard power is essentially quite limited, its soft power is probably facing more serious challenge. For any state the core of the soft power may be the governing capacity—the capability of the government to mobilize political support, to provide public goods and to manage internal tensions. As we know, it is the policy of reform and opening to the world that has made possible the recent economic progresses in China such as consistently high growth rates, recent entry into the WTO, and the huge amount of foreign direct investment (US\$46 billion in 2001). At the same time, globalization has also brought about dramatic transformation in China's economic, social, and to some extent political systems. During the transition period that began in the early 1980s, the Chinese government has faced and is still facing very serious challenges to its governing capacity.

There is no denying the fact that the gap between the rich and the poor in Chinese society has been widened tremendously as the economic reform has deepened. More than twenty years of pro-market reforms have produced a small number of millionaires and billionaires in China and a much larger number of impoverished people—the losers from reform. The urban unemployment rate is

20. <http://www.cia.gov/cia/publications/factbook/geos/ch.html>

21. American President Bush signed into law on Oct.23,02 the biggest military spending increase since Ronald Reagan administration—a \$355.5 billion package giving the wartime Pentagon “every resource, every weapon and every tool they need.”
http://story.news.yahoo.com/news?tmpl=story2&cid=544&ncid=716&e=4&u=/ap/20021023/ap_on_go_pr_wh/bush

roughly around 10% while the unemployment and underemployment in rural areas are even more substantial. With limited revenue the state is unable to provide assistance to the weak groups in society created in the process of the reform. What makes the situation more grave is that the corruption is widespread, as some of the ruling elite converted their public political power into private economic gains, building and profiting from patronage machines during the process of the economic reform, while the number of the poor people multiplied. All of these have undermined the political support to the government, although the Chinese government has tried to persuade the Chinese people to believe that the government would do its best to fight against corruption and help those weak groups by executing some corruptive officials and by reforming the social security system.

Although Chinese government has made tremendous efforts to provide enough public goods such as education, public health, law and order while promoting the reform and opening to the world, its recent performance still lags behind that of many developing countries. For a considerable period China's education spending has been around 2.5 percent of its GDP²², below the average of 3.4 percent for most developing countries. China's public health-care system has also been lagging behind many developing countries. According to the World Health Organization, China's health system ranked 144th in the world, placing it among the bottom quartile of WHO members, behind India, Indonesia, and Bangladesh.²³ Because the capabilities of the Chinese government to mobilize political support and to provide public goods have been weakened, the government's capability to manage the internal tensions also faces a great challenge, which has led some western scholars to argue that China is facing a hidden crisis of governance.²⁴

The argument that China is facing a hidden crisis of governance needs to be made with stronger evidence and systematic theoretical analysis. One thing seems clear: even from a realist perspective, China's soft power is almost the same as its hard power, that is, far from strong enough to “threaten” its neighbors and the world. Actually it is Chinese ruling elites themselves who are more aware

22. According to Chinese official information China' GDP in 2001 has reached 9593.8 Chinese yuan, but its government education expending in 2001 was 21.3 billion Chinese yuan. http://english.peopledaily.com.cn/200203/01/eng20020301_91199.shtml;
http://service.china.org.cn/link/wcm/Show_Text?info_id=29468&p_qry=state%20and%20education%20and%20spending

23. Minxin Pei , “China's Governance Crisis”, *Foreign Affairs*, Sep/Oct, 2002 pp.96-109, p104.

24. Minxin Pei , “China's Governance Crisis”, *Foreign Affairs*, Sep/Oct, 2002 pp.96-109, p97.

of China's realities in terms of both hard power and soft power, especially during the period of its leadership succession. The pervasive propaganda of the "Three Represents" theory²⁵ demonstrates that the top ruling elites are deeply concerned about the legitimacy of the ruling Party — CPC and are really worried about the government's capability of governance. At the same time the official acceptance of the inevitable trend of globalization and the willingness of moving along in harmony with globalization indicates that Chinese elites are keenly aware of the relative weakness of China's power and the absolute necessity of cooperating with other countries in the international systems formed by the force of globalization.

25. The thoughts of "Three Represents," calls on the Communist Party of China (CPC) to always represent the development trend of China's advanced productive forces, the orientation of China's advanced culture and the fundamental interests of the overwhelming majority of the Chinese people.

Looking to China's imperial history to understand how China as a great power will behave in the twenty-first century, some scholars have rediscovered the concept of the traditional Chinese world order coined by John K. Fairbank in the 1960s in the reconstruction of the benevolent governance and benign hierarchy of the Chinese Empire, and portrayed its collapse as a result of the clash of civilizations between the benevolent Chinese world order and the brutal European nation-state system. China was forced into the jungle of the social Darwinist world to struggle for its survival. As a res China's rise to prominence in the twenty-first century actually marks the country's reemergence as a political entity with important relations extending beyond the realm over which its leaders formally rule. Beginning in 221 B.C., a series of imperial dynasties controlled territories in the area that is today's China. During these millennia, the empire's relations with the world beyond its boundaries were mostly regional rather than global in scope as interactions across often loosely defined borders and vast oceans were limited by pre-vailing transportation and communications technologies. It is about a twenty-first-century world no longer modelled on and shaped by North Atlantic power, ideas and assumptions. I suspect it will be highly influential. "Eric Hobsbawm, author of *The Age of Extremes*. "This an extremely impressive book, full of bold but credible predictions [this] book will long be remembered for its foresight and insight." *The Guardian* (UK). About the Author. This is a positive view of the rise of China. It explains why the west and east will always have differences in culture that guides them in dealing with the world. It argues that China helps other countries without trying to impose their way of life (communism) than the west do (democracy).