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A Tale of Three Fears: Why China Does Not Want to Be No. 1

By Kai He

Synopsis

According to the World Bank, Chinese GDP in Purchasing Power Parity (PPP) terms will surpass the US', becoming No. 1 in the world, late this year. The Chinese government seems uneasy with this breaking news. Why? What does this mean for its maritime disputes?

Commentary

CHINA IS projected to be the world's No.1 economy late this year, surpassing the United States. Yet China is fearful of this for three reasons. The first fear is the inflation of Chinese power by using the GDP index. It is not the first time for the outside world to exaggerate China's power using its GDP. In 2010, China's GDP overtook Japan, becoming the second largest economy in the world just behind the US. This time the World Bank's figure will make China the world's No.1 economy very soon.

However, Chinese leaders understand that no matter how large the GDP or GDP in Purchasing Power Parity (PPP) terms is, China's 1.3 billion people - the largest denominator in the world - will dilute its real power. For example, in 2012 China's GDP per capita was No. 91 according to the World Bank, even behind that of Iraq, which was still suffering from the US war on terror. China's GDP per capita in PPP has moved China up to No. 89, but it is still behind the Dominican Republic.

China's two other fears

Moreover, China's military budget is still less than one third of that of the US although China has tried to keep its military spending up with a two-digit increase in recent years. In terms of soft power - its ideational and normative influence in the world - China's power is still trivial in comparison with the US. In his new book, *China Goes Global: The Partial Power*, David Shambaugh, a leading China scholar, systematically examines China's multifaceted influences in today's world politics. He concludes that China is still not a true global power, but a "partial power". China will probably remain so for the foreseeable future.

The second fear is the policy implications behind the "China-as-No.1" illusion. Everyone knows that with great power comes great responsibility. Chinese leaders are worried that China will fall into a "rhetorical trap" set by the outside world, especially the US. In 2005, Robert Zoellick, then US deputy secretary of state, proposed that China might play the role of "responsible stakeholder" in shaping the international agenda. In the eyes of Chinese leaders, Zoellick's proposal is a "rhetorical trap," which aims to dictate and constrain China's foreign

policy behaviour.

In political psychology this strategy is called “altercasting,” which is normally used by existing members to socialise a “novice”—a newcomer—in a society. In the China-US case, the US has imposed a role—responsible stakeholder—onto China with the expectation and corresponding cues that China will behave accordingly. If China fails to fulfil the expected role, then China will be harshly criticised, becoming a “bad guy” in the eyes of other states.

We can see ample examples from the areas of climate change, financial regulation, trade negotiations as well as China’s “assertive diplomacy” in the region. Apparently, this time Chinese leaders are conscious about falling into another “rhetorical trap” as the world’s No. 1 economy, just as the saying goes, “fool me once, shame on you; fool me twice, shame on me.”

China Dream, nationalism and the South China Sea disputes

The last (but not least) fear is a potential burgeoning nationalism, which may associate with China’s No.1 status in the world economy. Chinese leaders are not shy about their strategic goal of becoming a “great power,” the so-called “great rejuvenation of the Chinese nation” in Xi Jinping’s “China Dream”. Nationalism, or the preferred term of “patriotism” in China, has become a useful political tool for the Chinese Communist Party (CCP) to make the whole country “rally around the flag” in China.

However, nationalism is a double-edged sword in any country. Well-controlled nationalism may be helpful for the CCP while rampant nationalism may backfire on the CCP. For example, during the current maritime disputes between China and Vietnam as well as between China and the Philippines in the South China Sea, Chinese netizens publicly questioned the Chinese government over its weakness in protecting national interests in the South China Sea.

It is not difficult to imagine that if China celebrates its new status as world’s No.1 economy, then there will be more questions and pressures on the Chinese government. Weak diplomacy apparently does not match the “rich country and strong nation” dream in the Chinese public’s psychology. Therefore, the Chinese government has clearly stated that it had “reservations” about the World Bank’s methodology and “did not agree to publish the headline results for China”.

As for China’s rejection of its No.1 position in the world economy, many saw it as an indication of China’s shirking of responsibilities to which it should be obligated. For example, China still insisted on its status as a developing country in the negotiation to reduce greenhouse gas emissions. It is true that if we consider its huge population, China is and will be a developing country for a long time. However, with the current economic growth rate, China will eventually overtake the US as the largest economy sooner or later.

Lesson in leadership and CoC

Although it may still be too early to think about how to lead the world now, it is time for Chinese leaders to start learning what leadership means and entails. First, a world leader should keep its own house in order. Given China’s huge population, feeding the people and maintaining a stable society may be one of the largest contributions that China can deliver to the world.

Second, a world leader should keep peace with its neighbours through rules and norms. Historically, it is clear that no leadership by force will last long. Therefore, a real leader needs to know how to set up rules and norms in the international society. However, in order to encourage others to follow, the leader should also be the exemplar in complying with the rules and norms it has set. Signing a code of conduct (CoC) in the South China Sea may be the first step for China to set up the rules in alleviating the South China Sea disputes.

The real challenge for China is how to resolve these disputes. China will not be able to become a real leader if it continues to quarrel over rocks and islets in the South China Sea.

Lastly, China needs to overcome the three fears mentioned above. A confident, positive, and modest China will be welcomed by the international community, no matter whether it is No. 1 or not.

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