What can the West do about China?

By CDRE Patrick J. Tyrrell OBE RN (Ret'd)
Chair of the SIA Advisory Board
Senior Non-Resident Fellow Global & Maritime Security –
Cornwall, United Kingdom

China is rarely out of the news these days whether in terms of trade with the US and American allies, control of the South China Seas, maintaining the "One Country, Two Systems" ethos agreed in the Sino-British declaration over Hong Kong in 1984, the security of Taiwan, the issue of control by the Chinese Communist Party (CCP) of so-called independent IT companies or the "Wolf Warrior" approach to diplomacy adopted under Xi Jinping. There seems to be no way of controlling the behemoth that is China.

In those heady days at the end of the Cold War (1989-92), the collapse of the Soviet Bloc and the USSR and the general feeling of euphoria captured in a number of strategy papers at the time, led the West to believe that China was ready to be admitted into the congress of nations as a full participant after years of introspection and slow

development. As a result, China was admitted to membership of the World Trade Organisation (WTO) in 2001 to a great fanfare, the totalitarian flourish of Tiananmen Square (1989) and its aftermath notwithstanding. China was now "one of us" and would abide by international norms and the overarching Rule of Law. Hong Kong, the former British colony, was handed back to China when the 99 -year lease on the New Territories expired in 1997. The terms of the return were agreed under the Sino-British Declaration of 1984 and introduced the concept of One Country, Two Systems whereby Hong Kong was guaranteed a measure of autonomy for 50 years following the handover. Hong Kong was a financial centre for global business as well as an entry point into the People's Republic of China. The policy was also considered to be a template for the eventual reunification of Taiwan with the PRC.

The Chinese have always been credited with the ability to think long-term and, as modern media has become more ubiquitous and more intrusive, their Western equivalents seem to have allowed their own strategic horizons to shrink to months or, in some cases, a mere matter of days.

The Shape of Modern Great Power Competition

The recent events in Hong Kong show that the Chinese Communist Party, led by Xi Jinping, feels that China has less need of the services provided by the region to facilitate interaction with the global financial community and is quite prepared to see Hong Kong wither and die as a major financial hub. It also has repercussions for Taiwan where One Country, Two Systems is increasingly seen as a busted flush. Xi Jinping has also reiterated the importance of Taiwan to China and has threatened that reunification may be undertaken by force.

The Hong Kong security legislation, first released on 30 June 2020 and implemented the following day, is draconian. It establishes the rights of the mainland to conduct intelligence and security activities without oversight, or responsibility to, the local government. There is an element of extraterritoriality contained within the legislation which allows for the prosecution of those accused of any offence under the legislation (and the offences are defined extremely widely) wherever in the world that purported offence might have occurred. Those accused under the legislation can be extradited to the mainland where the conviction rate is in excess of 97% (which is probably a better reflection on the power and influence of the CCP than of the quality of the prosecution's case!)

It is important to recognise where China is coming from. It is, justifiably, a proud and talented nation with a long and remarkable history. China suffered its 'Century of Humiliation' by the West after the two Opium Wars of the early Nineteenth Century and the occupation, by Japan, in the Twentieth Century. China now sees her future as

regaining her rightful position in the world, where other nations demonstrate their respect and bend a knee acknowledging Chinese suzerainty.

China recognises that there is a historical opportunity to right many of the wrongs suffered in the past as the democratic West faces a series of unparalleled difficulties brought about by a number of existential challenges; the financial crisis of the first decade of the new century, the apparent disintegration or erosion of the world's financial and trading infrastructure developed in the post-1945 world, or the current pandemic. As we know the Chinese are renowned for their ability to develop their strategies over a long period of time, waiting for the opportunity to leverage any vulnerabilities in their perceived challengers. Over the past 25 years, Chinese companies and individuals have established themselves in positions of influence within the countries China wishes to hold sway over. They have sought out 'elite capture' within communities of influencers and policymakers to work within Chinese companies or influence groups promoting the message that China is there to help their nations and their individual companies to do well in China and with China. The messages are always consistent with overall CCP ambitions. It is a slick and professional marketing technique! In the UK, for example, the Chinese have endeavoured to make themselves indispensable in the nuclear power industry, the automotive industry and, until very recently, the IT backbone for the future 5G network for the UK.

Important those these issues are, they pale into insignificance when placed in the Sino-American context and the battle for supremacy that is occurring between the world's great superpower and its apparent successor.

This is not just a battle for the top space: it is an existential battle for the resources, minds and control of the greater part of the globe, a confrontation between the authoritarian, communist didactic model of the CCP and the unalloyed capitalist markets of the United States supported to a greater, or lesser, extent by its erstwhile, liberal, democratic allies in the West.

This confrontation, however, is less about the conflict between two opposing ideologies and more about the testosterone of Xi Jinping and Donald Trump. Both are headstrong individuals in a position of great power who both feel the need to have a *cause celebre* of some sort in order to cement their respective positions at home and remain in power. Xi has now been accorded the role of president-for-life and Donald Trump faces an election this November. Both appear to be adopting the well understood tools of bullies, particularly against anyone perceived to be weaker (which in the case of both USA and China is every other nation who disagrees with them). So Norway was hit with a ban on salmon exports when the Nobel Committee awarded a Peace Prize to a Chinese dissident (2011), China "freezes" out the UK when the then Prime Minister David Cameron meets up with the Dalai Lama (2012) and Australia was hit with a ban on beef exports when it called for an exhaustive inquiry into the coronavirus pandemic (2020). On Trump's side, tariffs have been imposed on a variety of goods and services for real

or imagined slights to the US; he cut a state visit to Denmark when the Danish government refused to sell Greenland to the US (2019), he stormed out of a NATO meeting when he thought that the assembled heads of state had not accorded him with the respect he thought was his due (2019) and he has dispensed with the niceties of diplomatic protocol running his administration in a series of Tweets.

Where do we go from here? We are, of course, where we are and the current climate does not appear conducive to cool, calm, diplomatic resolution. Misjudgement, by either side, has the potential to turn events from complex to a disaster. We, in the West, need to look at how we can begin to reorganise our relationships and, perhaps, be able to push the 'reset' button and find a way in which China, as a large, powerful and talented country, can live in harmony and co-operation with the rest of the world.

This is a non-trivial task!

The Non-Trivial Task

As an authoritarian dictatorship China has a number of oppressive strategies incompatible with the liberal, democratic West. Beijing can close off the entire Chinese populous to any information and data flows considered to be anti-CCP and its refusal to meet the international norms of behaviour including the Rule of Law, human rights, anti-racism and centralising power amongst the ruling elite, is diametrically opposed to Western political, legal and social norms. The CCP has a membership around 90 million which, in a population of 1.4 billion is approximately 0.06% representation. China suppresses free expression of thought or religion and is currently waging a cultural war against the predominantly Muslim Uyghur population in East Turkestan (Xinjiang Province) in northwest China and has been very active in suppressing the Tibetan population.

Unlike the former Soviet Union and the current Democratic People's Republic of Korea (DPRK), the Chinese have encouraged their population to travel abroad and, in particular, to study at Western universities. In part this recognises many of the weaknesses incumbent in the former Soviet and North Korean regimes where they had little or no exposure to modern technology and understanding of their potential competitors. China has been training engineers, doctors, specialists in banking, finance and business management at Western centres of excellence for a number of years, bringing them back to China to help build a sustainable industrial and financial base. In order to ensure that not too many defected to the West upon their exposure to Western lifestyles, the Chinese built international networks of loyal party cadres reporting back through local embassies on any unapproved activities, somewhat in the manner of the Stasi in the former East Germany.

How then do we achieve a 're-set' that enables the West to live in a world where China is a major global superpower without sacrificing the principles of Western democracy? China's development of the 'Belt and Road Initiative' (BRI) has given China great leverage within international organisations by providing major infrastructure development in a great many countries. This political leverage is a form of 'soft power' and the Chinese have used it to good effect.

At the same time, the West has allowed its soft power to whither; facing financial austerity at home, political dissonance, reducing defence and security budgets and lacking a coherent and sustained vision as to what the West's objectives might be. A first step should be to build upon a collaboration of like-minded nations to look at how we might develop a co-ordinated strategy for promoting Western democratic values using a combined soft power.[i] For example, some of the infrastructure built by China under BRI was neither required nor needed by the recipient countries and many of them have been unable to pay the large costs and have been forced to turn the asset over to the Chinese for their exclusive use. Perhaps the West needs to look at taking on some of this debt burden, bringing relief to these impoverished nations and giving them an alternative to China avoiding Beijing's debt trap diplomacy. The West needs to be able to provide a bulwark against Chinese aggression and, in particular, ensure that the South China Sea remains open and international and that the rulings of international tribunals are upheld. On 12 July 2016, an independent arbitral tribunal established under the UN Convention on the Law of the Sea (UNCLOS) published a clear and binding ruling on China's claims vis-à-vis the Philippines in the South China Sea. China's response at the time was to dismiss the ruling as 'nothing more than a piece of waste-paper'.

Dealing with Chinese companies will be more complicated over the next few years. There is little doubt that these companies, supported as they are by the Chinese state, are beholden to the CCP and will obey the bidding of the Politburo whether it be to obtain other companies' IPR or to report back on activities in their target countries. We, the West, need to recognise that and improve our security and vetting systems and protect Chinese citizens who might be targeted under wide ranging extra-territoriality legislation. The message needs to be clear and unambiguous: "you can lay down the law in your own country but not in ours!"

Over the past 25 years, China has invested hugely in Western firms and technologies. This is not necessarily a bad thing and, within a global, 'politically neutral' context, is what helps trade flourish and grow. However, many critical industries have fallen to the Chinese, leading, in some cases, to potential monopoly situations. This has been particularly so in terms of IT infrastructure (think Huawei) and in Rare Earth mining where China accounts for 95% of global production. The West needs to determine what their collective and respective requirements are for such critical industries and ensure that they recover control of their own future needs. The old cry that you could outsource everything and buy it in as and when you needed it have been firmly put to rest by the

recent pandemic where individual countries have had to develop and replace China-dependent supply lines to ensure the continuation of critical industries.

There is a tendency to try to develop an equivalence between the Cold War and the present situation with China replacing the Soviet Union as the bad boy on the block. This analysis leads many to consider future military conflict within the Pacific, primarily between the US and her allies and China. Such conflict is not inevitable. China is currently playing the bully with Xi Jinping flexing his muscles at every opportunity. It is worth remembering that the Cold War ended with the collapse of the Soviet Union because the West maintained a consistent and measured approach over some 40 years. It was a long and, at times, difficult policy to maintain. We need to build on that experience, recover our strengths as a coherent bloc; to develop the co-ordinated foreign policy that builds strength and consensus and provide an example that the Chinese people, now travelling extensively to our countries can enjoy, admire and emulate, free of the influences of the CCP.

We need to repurpose the existing political and military structures of NATO to provide a firm foundation for building clear and consistent foreign policies amongst like-minded nations as well as giving the necessary common infrastructure for military preparedness and deterrence. The Western allies must develop firm alliances within the Indo-Pacific region to allow the development of necessary skills including military and other security exercises and coordination of national policies on mutual assistance. Essential to achieving this will be the involvement of Australia, Japan and India as key partners. If NATO is reluctant to see such an expansion of its role, consideration could be given to the re-energising of the SEATO (1954-77) and widening its remit and membership to reflect the new realities of the Twenty-first Century. One of the critical issues to be addressed, whether it be through NATO, SEATO or a third grouping, will be that of contributions to the costs of the endeavour. NATO has been riven with debate about burden sharing and using a formula based upon relative national means immediately post World War II will not be conducive to a success.

Conclusion

China has made huge strides over the past 30 years to become a major power and, on present trends, will become a clear rival to the United States within the next 50 years. China is ruled by an authoritarian regime, seemingly reluctant to abide by accepted international norms for the Rule of Law, human rights and current conflict resolution arrangements. We must, however, maintain dialogue between the two blocs. The world has faced such situations in the past: the Cold War period of 1948-89 is a clear example. We avoided a major war by preparing for one as a single, motivated group of like-minded nations. We can do so again, it may be bumpy and, at times, difficult, but our grandchildren will thank us.

Views expressed in this article are not necessarily those of SAGE International Australia

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Forbidden City (Meridian Gate) Image, Author David290, 2018 Wikimedia Commons

[i] This does not have to be a US-led initiative, just one aligned to the US. An example of this can be found in a proposed trilateral arrangement including the Japan, Australia & the UK first written in 2020 and published in The Japan News: https://the-japan-news.com/news/article/0006372158 Jain P.C., Bruni J, Tyrrell P.J., *Japan, Australia and Britain should forge closer security ties in a fast changing world* Feb. 2020.