

China's growing pivot to the world

By THO XIN YI
thoxinyi@thestar.com.my
Photos by ART CHEN

South-East Asian countries need to think proactively, strategically and creatively about what areas of cooperation they want to have with the global powerhouse.

IN the heart of Kuala Lumpur's Golden Triangle, it is becoming increasingly common to see names of construction companies from China plastered around building sites – so much so that a Chinese journalist who was in town recently for work remarked, "I feel like I'm back home in Beijing."

Exaggeration aside, it speaks volumes about the intensified investment coming from the country of 1.4 billion people that was once riddled by poverty and famine.

The RM144bil business agreements signed between Malaysia and China during Prime Minister Datuk Seri Najib Tun Razak's visit to China recently will see more Chinese investment across diversified sectors in Malaysia.

Despite its taint of "chequebook diplomacy" – use of investment and economic clout to win over partners – China's ability to flex its financial muscle is an impressive achievement, noted Dr Martin Jacques, author of *When China Rules the World: The End of the Western World and the Birth of a New Global Order*.

China's rise came at the conclusion of the Deng Xiaoping era and the beginning of the new President Xi Jinping epoch, he observed.

"China was a very poor country. Deng outlined two key priorities, which were economic growth and reduction of poverty.

"His foreign policy was to ensure the best possible international environment existed for these two objectives," he told the "China and the World in the 21st Century" forum organised by the Institute of Diplomacy and Foreign Relations (IDFR) and International Movement for A Just World (JUST) here recently.

By "keeping their noise to the grindstone and working their socks off", the China specialist said the nation was able to rise from rock bottom to arrive at its present status as an economic powerhouse.

"For the first time in 120 years, China can now rethink its position in the world. You can already see

the big shift in its hierarchy of priorities. During the Deng era, foreign policy came rather below economic growth and reduction of poverty.

"Under Xi, China's foreign policy has become much more important, pivotal even, as China's relations with the rest of the world grows important," Dr Jacques explained to the audience at the IDFR auditorium in Kuala Lumpur.

In the 1980s, China did not matter globally, even in East Asia. But today, many countries in the world count China as one of their biggest – if not the biggest – trading partners. And China is now on its way to becoming the largest economy in the world, he added.

In 1980, Chinese economy was only 5% of that of the United States, but the International Monetary Fund estimated that it will be 20% larger than that of the United States by 2019.

China's hugely ambitious Belt and Road Initiative and the Asian Infrastructure Investment Bank aim to connect countries along the land-based and seafaring routes through infrastructure development on a never-seen-before scale.

"The great advantage China enjoys is that it understands the problems of developing countries, unlike the United States and United Kingdom which project on developing countries their own objectives and priorities instead of looking at these countries' priorities and difficulties," Dr Jacques said.

It is projected that by 2030, China will account for one-third of the global GDP, twice the size of the US economy estimated at 15%.

India, meanwhile, is predicted to contribute up to 19% of the world economy, while the European Union takes up 13%.

Dr Jacques, however, cautioned that China's rise will not last forever.

"China's greatest strength now is its population, but it could also be its greatest weakness. It is on a roll



Looking to the future: Dr Jacques notes that both China and the rest of the world should make a mutual intellectual effort to understand each other.

when the people glue it together but when the balance changes, China will be a mess."

There are also dangers of overreaching and taking too much, he added.

"The Belt and Road Initiative, for instance, is very expensive. China could incur a large expenditure and find its economy in difficulties.

"It's also one thing to transform China and it's another to help transform other countries. You need a lot of language skills and above all, cultural skills," he said, adding that China's history of isolationism could hamper it.

JUST president Dr Chandra Muzaffar pointed out that many people forget that China's rise has always been peaceful, unlike other examples of western colonisation that had been "brutal and bloody".

"We have to take this into account when we look at the future," he said.

Concurring, Dr Jacques believes there needs to be an agreement among the claimants in the territo-

rial disputes over the South China Sea.

He praised Malaysia for handling the territorial wrangling correctly by favouring a resolution through negotiation, unlike the Philippines which brought the case to The Hague.

"The rise of China is re-ordering the region in every sense but that doesn't mean the republic, in a simplistic and instrumental way, is going to dominate the region... therefore, countries will have to deal with China in lots of different ways," he said.

Najib's visit to Beijing was fresh on the heels of a high-profile visit by Philippine President Rodrigo Duterte, who recently "broke up" with the United States publicly and embraced China as the future of the Philippines.

Dr Jacques said Duterte has a much clearer idea of what is happening in the region and where the Philippines will go than his predecessor Benigno Aquino III.

"China is critical to transforming

the infrastructure of the Philippines. The United States is not going to do that for them," he observed.

Still, China's promise of investment is often met with suspicion, not only on Malaysian shores but also around the world. Take its investment in the Malacca port, for example – talks were rife that China was using the project as part of its military strategy at the Strait of Malacca.

On suspicions that China has hidden motives in its foreign deals, Dr Jacques remarked: "The more interesting question here is why people think like that.

"I'm sure in most cases, they don't understand China because their dealings with China are basically so new. Unlike Westerners who shoot their mouths off, the Chinese don't say much, so the protocol in interpersonal relationships is quite different.

"I don't think they have any ulterior motives or hidden agendas, but you have to understand them. The difficulty is that the cultural distance between the world and the Chinese is large," he said.

But while the rest of the world should make an intellectual effort to understand China, Dr Jacques opined that the Chinese also have to do their best to explain themselves, their customs and working culture to the world.

The decline of the west is happening in parallel to the rise of China and balancing between the superpowers is a tough game to play for small nations like Malaysia.

Dr Jacques said it is important for countries to be clear about their priorities: "If anything is ever historically clear, it is the rise of China and the decline of the United States, especially in this region.

"If the countries think this relationship with China is the most important one they have, they must then think proactively, strategically and creatively about what areas of cooperation they want to have with China."