

# **Rising China, Developmental Security and the Emerging Order in the Asia-Pacific**

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## Rising China, Developmental Security and the Emerging Order in the Asia-Pacific

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The Third Plenary Session of the 11th Communist Party of China (CPC) Central Committee in 1978 established a new strategy for China's reform and opening up. After four decades of hard work, China has achieved an unprecedented development miracle in human history, from a very poor country to a relative rich one. The 19th National Congress of the CPC, held in October 2017, continues to look forward to and plan a new development strategy by 2050. From the perspective of the global power structure, China's rise from the bottom is in sharp contrast to the decline from the top in Western society since the early 21st century, which has exerted a significant impact on Western societies and international order. At the same time, the international community sees a new United States of America. For many countries, the U.S. that led the liberal international order seems to be drifting away. The Trump administration has responded to the challenges of globalization and China's rise with the "America first" strategy. The new administration appears to be moving away from traditional American commitments and international responsibilities. Therefore, from now to 2050, there will also be a major transformation in the regional as well as global order.

In the field of international relations, there are two main issues attracted great concerns related to the rising of China. First, will China return to traditional China, that is, to build a regional order in the surrounding areas similar to the Tributary System (Friedberg 2011; Pan and Lo 2017)? Second, will China replace the U.S. and become a hegemonic power equivalent to the U.S. (Mearsheimer 2010; Kurth 2012)? For most Chinese scholars, both of them are not the best options (Zhong 2015; Qi 2015). According to the White Paper of China's Policies on Asia-Pacific Security Cooperation issued by the China's State Council Information Office on January 11th, 2017, the security framework in the Asia-Pacific region which was promoted by China "does not mean starting all over again, but improving and upgrading the existing mechanisms," and "should be adopted as a common caused by all the countries in the region" (China's State Council Information Office 2017). However, the challenge is what reasonable and feasible scenarios would be if those two options are not the case. This article concludes that China will neither become another U.S. nor return to the past, considering the fact that China is still the largest economy with far lower income levels than the U.S. by 2050. GDP per capita is closely related to a country's technical capability, the global vision of its domestic audiences, and its interdependence of the global economy. With the improvement of China's GDP per capita, especially the gap between the eastern coastal areas of China and high income countries was greatly reduced, China is going to embrace globalization, but in a Chinese way. It is clear that China will face increasingly complex international security challenges to safeguard its growing interests abroad, but its main challenges remain at the domestic level, particularly in addressing the gap between the rich and the poor, regional imbalances and the sustainability of development.

## China's Development Path Towards 2050

China's rise to prosperity since reform and opening up has far exceeded western expectations. The World Bank data shows that China's per capita GDP was 7.8 percent of the world's average in 1978 and 8.0 percent in 1992. But during this period, the absolute incomes have risen sharply. According to the China's National Bureau of Statistics, the disposable income of urban residents per capita in China increased from 343 yuan in 1978 to 1510 yuan in 1990, and net income of rural residents per capita increased from 134 yuan in 1978 to 686 yuan in 1990, an increase of 4.4 times and 5.1 times respectively, a growth rate unprecedented in the world.

China's development has accelerated since the 1990s. When China joined the WTO in 2001, its GDP per capita reached 19.6 percent of the world average. In 2010, China surpassed Japan to become the world's second largest economy, with GDP per capita of 47.9% of the world average, rising to 82.4% in 2017. In terms of purchasing power parity (PPP), China's GDP per capita is close to 17,000 US dollars in 2017, surpassing the world average for the first time, which was a turning point in China's modern history.

Nevertheless, China's development is not sufficient. For a country with a great civilization and tradition like China, the object of comparison will not be satisfied with the world average level. The goals of the government and its people are mainly to catch up with the developed countries. By this measure, the gap is very clear. For example, according to the World Bank data, China's GDP per capita in 2017 was only 14.8 percent of that of the U.S., 23.0 percent of Japan's and 29.7 percent of South Korea's. Even by purchasing-power parity (PPP) measure, China's per capita GDP is only 28.2 percent of U.S.'s GDP per capita, 38.3 percent of Japan's and 43.9 percent of South Korea's. It is because of the great development gap between China and the world's major economies that the Chinese government still regards development as the top priority of its national strategic objective. In October 2017, the 19th National Congress report of the CPC continued to emphasize that "development is the basis and key to solving all problems in China."

What we need to note here is that the World Bank's PPP measurement exaggerates China's development performance. For some U.S. strategists, such as Zbigniew Brzezinski and David Lampton, they are more likely to use the U.S. Department of Agriculture's macro international comparison data. According to data released by the USDA in December 2017, China's per capita GDP was close to \$7,400 in 2017, compared to that U.S. GDP per capita was \$53,000, that of Japan was \$48,000 and that of South Korea was \$26,000. Even by 2030, China's GDP per capita is expected to be less than \$15,000, which is equivalent to only 22.4 percent of that of the U.S. (USDA 2017). In October 2017, during the 19th National Congress of the CPC, Japan's Institute of Energy Economics, released a forecast report on the future of energy development in 2050, which provides the economic development prospects of major economies in the world, especially the East Asia economies (The Institute of Energy Economics 2017). According to this forecast, as shown in Table 1, China's GDP per capita is expected to reach 14,000 US dollars by 2030, 22,000 US dollars by 2040 and 30,000 US dollars by 2050.

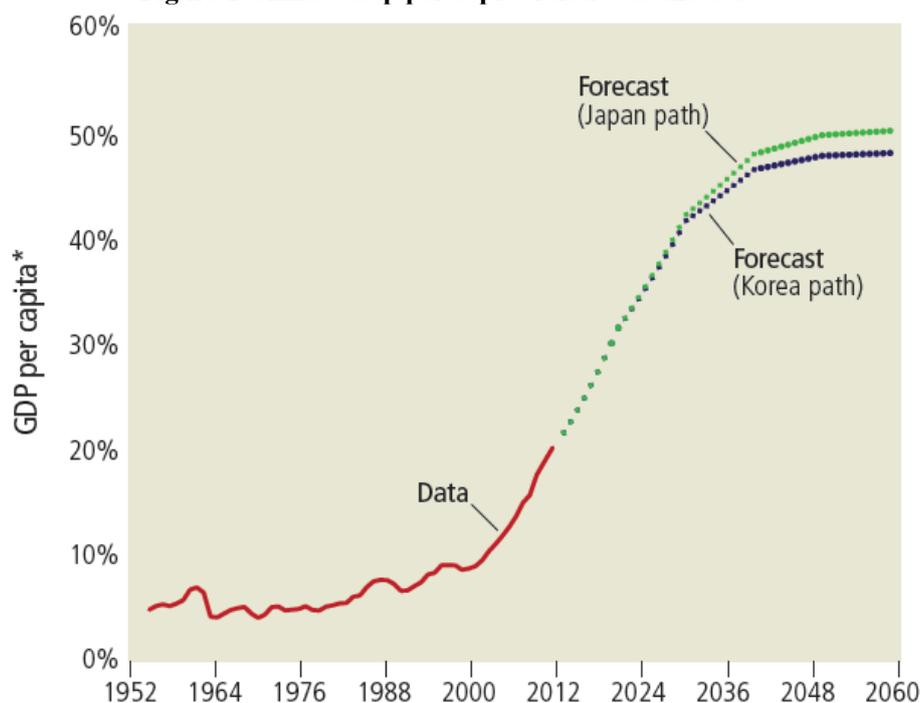
However, in terms of economic size, China will account for 17.7 percent of the world's economy by 2030, according to the USDA. By then, the U.S. will account for 19.8 percent, while Japan and South Korea will account for only 6 percent and 1.6 percent respectively. According to projections from the Institute of Energy Economics in Japan, a size of China's economy will reach 89.8 percent of the U.S. economy in 2030 and 111.1 percent of the U.S. economy in 2040, making it the largest economy in the world. By then, the third-largest economy will be India, not Japan. Therefore, the world is entering a major stage of economic restructuring.

**Table 1 Growth Prospects of China and Other Global Major Economies until 2050**

	GDP per capita			GDP		
	2030	2040	2050	2030	2040	2050
China	14.4	22.1	30.1	20311	30759	40328
India	4.0	6.4	9.5	6133	10236	15857
Japan	57.6	67.4	77.2	6948	7705	8329
Korea	35.6	43.6	52.2	1877	2284	2633
United States	63.5	74.6	84.1	22629	27677	32902
China/U.S.	22.7%	30.0%	35.8%	89.8%	111.1%	122.6%

Source: The Institute of Energy Economics (2017).

Compared with the predictions of the above two data, there are also some more optimistic inferences. Zhu Tian, a Chinese economist, believes that if China's GDP per capita grows by 6 percent in the next decade, compared with 1.8 percent in the United States, China's GDP per capita will reach 37.5 percent of the U.S. by 2026, close to a high income level. By 2036, China's GDP per capita will be 52.5% of that of the United States (Zhu 2016, 192-193). Clearly, the U.S. economy now is growing much faster than 1.8 percent, so professor Zhu's prediction error is quite large. Two scholars from the Federal Reserve Bank of Minnesota have a more cautious forecast that if China moves along the path of Japan or South Korea in the future and assumes that the gap between China's GDP per capita is 1 percentage point relative to the U.S., the corresponding GDP per capita growth rate is 0.162% (Japan's path) or 0.175% (Korea's path). China in 2060 will reach 50% of the United States (as shown in Figure 1). However, by 2030, the GDP per capita will shrink faster than that of the U.S. Jorgen Randers, a Norwegian scholar and the author of the Rome Club's the Limits to Growth in 1972, reckons that although China's GDP per capita is now only a fifth of America's, it will reach three-quarters of America's by 2052 (Randers 2013, 261). This is one of the most optimistic forecasts yet of China's development.

**Figure 1 China's Gap per capita relative to the U.S.**

Note: The data used in this article is based on the Penn World Table 8.0.  
Source: Jingyi Jiang and Kei-Mu Yi (2015, 5).

The long-term view of China's international influence is based on whether the Chinese government can bring more Chinese into the ranks of the affluent life. On this basis, China, with its huge domestic market, will provide more development opportunities for countries and people in other parts of the world. If the world could gain a great leap through China's development in the next thirty years, especially the positive interaction between China and the world, then China can gain unprecedented recognition. However, on the basis of the experience of the rise of European powers, the traditional theories of international relations, especially those of constructed by some American scholars, are full of concerns about China's rise.

## **Understanding the Traditional Paradigm of Power Transition between China and the U.S.**

In July 2014, when the World Bank predicted that China's economy would overtake America's in purchasing-power parity terms by the end of 2014, most people did not take this conclusion seriously. However, as previously predicted by the USDA and the Japan energy research institute, China's economy is likely to overtake that of the U.S. by 2035 at market exchange rates. To a certain extent, this is precisely the concern for this development prospect, and the U.S. policy toward China is undergoing a great adjustment. In the spring of 2015, for example, the U.S. Council on Foreign Relations, known for its neutrality, issued a heavyweight report calling on the U.S. government to change its policy towards China since the 1970s, because they considered that "China's behaviors are similar to those of other previous rising powers in international politics" (Blackwill and J. Tellis 2015).

Before that, Graham Allison, a professor at Harvard University, constructed a new term for the tragic relationship between the rising and the established power - the Thucydides' Trap, which spread quickly on both sides of the Pacific. Graham believes that the collision between China and the U.S. today is less than 50 years ago in the confrontation between the U.S. and the Soviet Union in Cuba, but the geopolitical challenge for the next fifty years is how to manage the relationship between the U.S. as the ruling superpower and the China as a rising country. Therefore, China and the U.S. must develop rules for getting along with each other so as to avoid falling into the "Thucydides trap." Based on the cases of hegemony struggling between the 15 established and the rising powers since 1,500, 11 eventually went to the war, Allison drew the conclusion that "the Thucydides trap has floated on the Pacific Ocean" (Allison 2012, 2017).

In fact, the relationship between hegemony and international order has long been a subject of discussion in the field of international relations. Robert Gilpin, the late professor at Princeton University who wrote about this in the early 1980s, argues that war is the main driver of systemic change. Robert Keohane, on the other hand, believes that the decline of hegemony does not necessarily lead to the collapse of the international order, because other countries benefit from it, and several countries can join together to maintain the international system. At present, the debate is still continuing. John Ikenberry, a liberal scholar at Princeton University, argues that China also benefits from the American order and will not overturn it (Ikenberry 2018). Other realists, such as John Mearsheimer, argue that China's rise is likely to lead to a war between China and the U.S. (Mearsheimer and Walt 2016).

For students studying international relations, China's rise poses a theoretical challenge. As Chengxin Pan and Emilian Kavalski recently pointed out, "the rise of China as a potentially theory-generating event has yet to systematically appeal to the core IR theoretical community" (Pan and Kavalski 2018, 291). One reason for this is

that China and the West have different views on Great Power. The core lies in that the western concept of great power is based on military power, while the popular concept of great power in China mainly refers to the size of population and land, without economic and military implications. With the rise of China's economy, new meanings with economic power were added to the concept of China's great power. However, the Chinese government still considers itself as the biggest developing country in the world, a concept broadly used since the mid-1980s (Zhong 2019). In western theories of international relations, both realism and liberalism are concerned with hegemony. For realism, historical hegemony is the same as contemporary hegemony, and the question to be examined is no more than who will become the next hegemony. For liberalism, hegemony may be different. As John Owen recently noted after commenting on John Ikenberry's 2001 book, *After Victory*, that "he [Ikenberry] is interested not in 'hegemony or not' but in 'hegemony A or hegemony B'" (Owen 2019, 57). If China were another type of hegemony, would the result be different? Owen's answer is still uncertain. However, President Xi Jinping has repeatedly pointed out that China will not "seek hegemony if it is strong." In Chinese context, hegemony is a negative word and expression. Moreover, one important institutional change that needs great attention is that China has written "peaceful development" into its constitution after the Amendment to the Constitution of the People's Republic of China released on March 11th, 2018 (Presidium of the 1st Session of the 13th National People's Congress of the People's Republic of China 2018). No other great powers have incorporated similar concepts into their constitutions, particularly in the form of such commitments in the fundamental law of the state.

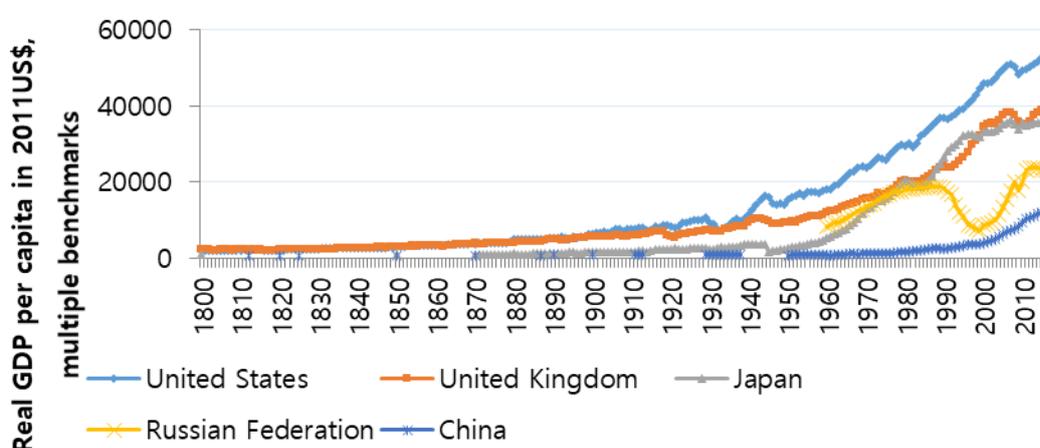
Given that the U.S. economy's share of the world has not fallen significantly and its military influence has increased further, the notion of hegemony declining is not necessarily accurate. The debate over the liberal international order seems more likely to be a lack of understanding of the facts than a disagreement over theoretical positions. Trump's election to the presidency of the United States indicates that the debate on the international order has shifted from focusing on the relationship between countries to the influence of globalization on the domestic political economy. The concerns of the power distribution between countries have fallen relatively, with the words of two outstanding scholars, "during the past year or two, it became clear that those debates had missed a key point: today's crucial foreign policy challenges arise less from problems between countries than from domestic politics within them" (Colgan and Keohane 2017, 35). To some extent, Keohane's observation that western academia has mistakenly focused on problems does not begin with Mr Trump's election.

The bigger problem is that the Western theories of international relations are mainly rooted in western historical experience. An obvious fact is that western developed countries account for less than 15% of the world's population. Many social science theories, especially those requiring strong empirical evidence, are based on empirical surveys of white and educated people in democracies. Most of the theories of international relations focuses on the history between the western powers and rarely incorporates the experience of other powers in the world. David Kang also emphasized it many years ago that the Western IR theories "getting Asia wrong" (Kang 2013). Recently, Alastair I. Johnson, a leading East Asia expert at Harvard University recognized that "this neglect of the region (and other regions) may come at a cost to transatlantic IR, not only in terms of data problems but also in terms of omitted or downplayed explanatory variables and theoretical arguments" (Johnson 2012, 53).

At present, the prevailing western paradigm has a fact and premise that is not adequately emphasized. Since the late 19th century, the western countries not only have a dominant position in economic size, but also have a significant advantage in GDP per capita. According to Angus Maddison and his team, India was the world's largest economy during 1500-1700, and since then China has become the world's largest economy, accounting for 33% in

1820, exceeding the total wealth of any other country in human history--a position lasted at least until 1870. By 1890, however, the U.S. surpassed China as the world's largest economy. As shown in Figure 2, throughout the 20th Century, the strength of the U.S. was based on the fact that both the economic size and GDP per capita were the first in the world, which has not appeared in history and may not happen in the future. When India or China was the world's largest economy, GDP per capita of China and India are not the number one in the world. Recent research by scholars from the Maddison team shows that Western Europe has become the richest region in the world since at least 1700. The previous analysis also shows that when China becomes the world's largest economy again, China's GDP per capita is only slightly higher than the world average. In view of this historical fact, international relations theory which is based on the historical experience of western powers' expansion, mainly describes the history of the past 300 years, which is short and not long enough compared to human history in other regions.

**Figure 2 The per capita GDP of major powers**



Source: Maddison Project Database, version 2018. (Bolt, Jutta, Robert Inklaar, Herman de Jong and Jan Luiten van Zanden 2018)

Therefore, to understand the phenomenon of international relations in the future, we need to abandon the old ideas and discuss the seriousness and development direction of the problem according to the facts itself. In particular, we should pay attention to the impact of the lower GDP per capita economic power on the international order. The late Singaporean Prime Minister Lee Kuan Yew said: "Today China is facing very developed North America, Europe, Japan and quite developed Southeast Asia and India... After 30 years, Chinese leaders will understand that, although China's gross national product will become the world's largest in 2050, it is still a small country in terms of per capita level, and it is still very backward in terms of technology" (Allison, Blackwill and Wyne 2013, 12). In terms of technological capabilities, Lee Kuan Yew even thinks that Chinese culture is an obstacle to innovation.

However, the Chinese government lists innovation as one of the five development concepts. Some prominent economists recently observed, "Chinese firms have demonstrated a capacity to become more innovative in response to wage pressure and global opportunities. The data on Chinese patents, both from a quantity and a quality perspective, appear encouraging enough that we should not be that pessimistic about China's prospects for a successful transition to a more innovation-based growth model" (Wei, Xie and Zhang 2017, 68). Joseph Nye, who created the concept of "soft power," said that, "Per capita GDP provides a better measurement of the

complexity of the economy. In PPP terms, however, China's GDP per capita is only 20% of the U.S. level, which will take decades (if possible) to catch up with the U.S." (Nye 2016, 3). In addition to influencing technological level, GDP per capita will also have a significant impact on other factors that have shaped international influence for several years. Brzezinski once said, "no matter China, India or Europe, it is impossible to surpass the economic advantage of the United States in the comprehensive sense of the overall economic scale and the two per capita GDP. This economic advantage assumes that the United States can use the other assets at the same time - to enable the United States to maintain its global influence and institutional influence, as well as the absorption effect of the world's top talent" (Brzezinski 2012, 57).

## **Developmental Security: A New Perspective Understanding China's Rise**

In a sense, International Relations (IR) as a discipline were mainly born in the U.S. after the Second World War. Although some scholars would like to trace it back to 1919, it was mainly established by American scholars based on the American hegemony. However, from the perspective of the development of great powers, the history of human beings is more often precisely that of the countries with the largest economic size, they are far behind in per capita GDP. In the 20th century, the U.S. ranked first in both per capita GDP and economic size in the world, which is a special exception. It is not necessary to regard the American experience as an iron law of history. We do, however, admire the amazing achievements made by American. U.S. GDP per capita for reached \$10,000 for the first time in 1926, which was a remarkable achievement. China and India are expected to influence the international political economy in the next three decades, but they have yet to earn more than 10,000 US dollars per capita. Even by 2050, India's GDP per capita is unlikely to reach \$10,000, according to the Japan energy research institute, while China's GDP per capita is just over \$30,000. By 2050, the U.S. had a per capita GDP of more than \$80,000, and Japan and South Korea had a per capita GDP of more than \$50,000.

From the perspective of Chinese young generation, it is relatively easy to find the shortcoming of ignoring per capita GDP in the Western IR paradigm. First, theory of international relations developed in the U.S. was introduced to China in the 1980s, including textbooks and monographs. This process has been accompanied by the development of the Neo-liberalism in the world and the strong legitimacy of the U.S. to promote the liberal international order, so it is hard to rethink about the shortcoming of the theories for a long period of time. However, the 2008 International Finance Crisis had a great impact on neoliberalism. People no longer believed that there was only one kind of relationship between government and market. On the contrary, it recognizes that the development of the country is diversified. All countries should be based on their own national conditions, seeking truth from the facts and promoting development, and obtaining external support through consultation. Second, as noted above, China did not emerge as a poor country until the late 1990s and did not join the ranks of the upper-middle income countries until 2010. China is almost the only country to have achieved this performance in 12 years. With the improvement of the wealth level of ordinary families in China, more and more young people can visit, observe and study overseas. In this process, China's overseas interests have also increased significantly with the expansion of China's outward foreign direct investment. For the first time, Chinese people's understanding of the outside world has been based on materialism and their observations on the ground, rather than revolutionary or idealistic imagination. Therefore, by comparison, it is easy for young Chinese scholars who

have grown up in the era of reform and opening up to find the inadequacy of American international relations theory.

If we recognize the importance of per capita GDP in understanding international security issues, we will have a new perspective to examine the state of peace between China and its neighbors since the reform and opening up. At present, many scholars in Asia are talking about getting rid of the "middle-income trap." From a global perspective, it is more important to summarize how Asian countries get rid of the "low income trap." According to Robert Barro, a macroeconomist at Harvard University, the average annual growth rate in the west over the 200 years since the industrial revolution has been two percent. If developing countries are to catch up, especially if they are to get rid of two income traps, it will take a 25-year average of 2.9 percent growth in each income stage (Barro 2016, 14). Barro also believes that getting out of the "low income trap" is far more difficult than getting out of the "middle income trap." In 1998, China graduated from low-income countries and became a lower middle-income country. In 2010, China became a high middle-income country. From 1990 to 2011, China reduced the number of poor people by 439 million, making a huge contribution to global poverty reduction. Some scholars have pointed out that China's poverty reduction policy experience is of great significance to many low-income developing countries (Pan and Chen 2016, 135-143).

At the same time, China's national security policy and its ideas of foreign relations should be given equal attention. China's national security philosophy is quite different from that of the U.S. The basic international political concept of the American elite is based on the history of European international politics. The most prominent one is the concept of balance of power. The Chinese government has highlighted the correlation between domestic security and international security and its ability to highlight the state of sustainable security in the definition of national security. In this regard, it is similar to the concept of "comprehensive security" proposed by Japan in the early 1980s. China's grand strategy is a strategy of internal and external balance (Zhong 2018). More fundamentally, since the reform and opening up, China has implemented a grand strategy based on development, which can also be called "developmental security." It has three basic characteristics: first, it takes the development of per capita GDP as the basis for constructing national strategic goals; second, security interests and development interests are unified, and there is a coordinated relationship between military expenditure and domestic socio-economic development. Third, we should foster a peaceful environment around the region that is conducive to development (Zhong 2017). It is hard to imagine how peace in East Asia could have lasted so long since the late 1970s, if a rising China had not adopted such a strategy.

It is easy to find out why the Soviet Union and Japan were the biggest threats to the U.S. from the per capita GDP perspective. It is generally believed that the U.S. in the latter half of the 20th century has two major threats: the Soviet Union in the 1960s and Japan in the late 1980s. Most of the traditional explanations for such conflicts are based on ideology, hegemony and trade friction. But in these two stages, the GDP per capita gap between the U.S. and the Soviet Union and Japan has also been greatly reduced. Similarly, according to Figure 2, the average annual GDP per capita of the Soviet Union in the 1974-1983 years accounted for about 60% of the U.S. In 1975, Japan's per capita GDP reached 60% of the U.S. for the first time, then rose to 68.9% in 1980, again fell to 60.2% in 1986. As we all know, this period is also a serious stage of trade friction between the U.S. and Japan. After the end of the Cold War, the U.S. no longer needed to face the military competition with the Soviet Union and the threat of economic growth of Japan at the same time. To a certain extent, the reduction of security pressures has given the U.S. sufficient strength to adjust its strategic direction and substantially integrate its traditional Soviet

sphere of influence. Although Japan's growth rate has dropped sharply, Japan's per capita GDP share of the U.S. continues to rise. According to Figure 1, Japan's per capita GDP accounted for 81.6% of the U.S. in 1995, the highest proportion Japan has ever achieved. Obviously, by the middle of 1990s, the main target of the U.S. policy toward Asia was still Japan. Around 1995, with Joseph Nye as the main designer, the U.S. reformulated its strategy toward Japan (Nye 2001).

According to the most optimistic forecasts above, China's per capita income will hardly exceed 50% of that of the U.S. by 2050, far from the 60% of that of the Soviet Union and Japan. In this regard, the U.S. exaggerates the Chinese threat. However, this fear is not without a bit of historical support. According to data compiled by Angus Maddison's team, between 1870 and 1930, Japan's GDP per capita was 25.0% of that of the U.S., with the lowest value of 21.8% in 1905 and 30.5% in 1921. During the six decades, Japan emerged as the largest power in the Far East, not only defeating China, but also winning the 1905 Russia-Japanese War. The symbol of the peak of Japan's national strength was the Naval Armament Treaty reached during the 1922 Washington Conference. Since then, Japan's status in international affairs has been continuously rising, and its conflicts with western countries have been gradually accumulating. When attacking on the Pearl Harbor in 1941, Japan's GDP per capita was about 34 percent of U.S. income. In the decade between 1931 and 1941, Japan's GDP per capita exceeded 30% in the U.S., with a peak of 35.8% in 1939. In terms of the relations between Japan and the U.S. during the interwar period, the per capita GDP ratio rose from 25% to 35%, which was also the stage when the U.S. and Japan gradually moved towards the Pacific war. China's per capita GDP will also rise from 23% to 35% of the U.S. between 2030 and 2050, according to the Japanese institute of energy economics. As a result, some Japanese leaders even believe that China is much like Japan in the 1930s, and they even advocate that democracies should unite to counterbalance China.

However, Japan in the 1930s is very different from today's China, and the international environment surrounding the two countries is also very different. First of all, Japan was the highest per capita income country in Asia at that time, and China today and in the next 30 years is clearly not going to be the richest country in Asia. Japan regarded itself as the liberator of Asia. However, the Chinese government has never had such a state of mind. It has not only abandoned the idea of revolution in ideology, but also has a large number of problems to be dealt with at home. Secondly, before conflicted with the United Kingdom and the U.S., Japan has expanded its sphere of influence in Northeast Asia by force, occupied Taiwan, the Korean Peninsula and the Manchuria region of China through unequal treaties, and vigorously developed the expansion of the navy to Southeast Asia and the Pacific, and directly threatened the interests of the U.S. in the Pacific. The benefits of external expansion have also produced public support and nationalist sentiment in Japan in favor of this policy. Under the stimulus by the Great Depression in 1929, a large number of young people had to participate in the army, hoping to change the face of Japan by further expansion (Kosaka 1990). But China is carrying out the strategy of peaceful development and adopting a good neighbor policy around it, which is close to the "good neighbor policy" adopted by President Roosevelt of the U.S. in the 1930s (Guerrant 1950; Gellman 1973). Thirdly, Japan's domestic market is small, coupled with a First World War divided, resulting in a surge in population. In the face of the protectionism brought about by the great depression, the Japanese can only expand outside to survive, and the British and American society at that time imposed great suppression on Japanese immigrants and economic development (Tsurumi 1931). In contrast, China's domestic market is large enough and diversified, and it still insists on promoting globalization in the face of a trade war with the U.S., a strategic vision that is different from that of Japan.

China supports globalization largely because its eastern coastal regions are deeply involved in the global economy. As early as September 1988, Deng Xiaoping put forward the idea of "Two Overall Situation" in his analysis of China's economic development. He pointed out that "it is a matter of great importance to accelerate the opening up of the coastal areas to the outside world, so that the vast area with a population of 200 million people will develop at a faster pace and thus drive the mainland to develop better" (Deng 1993, 152). As shown in table 2, the total population of 11 provinces and province-level municipalities in China's coastal east areas in 2015 was 570 million, accounting for 41.4% of the total population. In terms of economic size, the eastern coastal areas reached 40.2 trillion yuan, accounting for 58.6% of the country's total. In terms of per capita GDP, except Hebei and Hainan provinces, the GDP per capita of 9 provinces and province-level municipalities in the eastern coastal region is more than \$10,000. The average GDP per capita in 11 provinces and province-level municipalities is \$12,110, very close to the level of high-income countries as defined by the World Bank. In terms of 9 provinces and province-level municipalities, the GDP per capita is \$13,356, which undoubtedly exceeds the threshold of high-income countries. In 2015, the foreign trade volume of 11 provinces and province-level municipalities accounted for 85.2% of the country's total, the stock of foreign direct investment accounted for 80.8% of the country's total, and the stock of outward foreign direct investment accounted for 81.1% of total.

**Table 2 The Eastern Coast of China and Global Economy (2015)**

	GDP per capita	GDP (Yuan)	Population (ten thousands)	Foreign trade (0.1 billion)	Inward FDI (ten thousands US \$)	Outward FDI (Million US \$)
Beijing	17329	23014	2171	3194	3810	38799
Tianjin	17094	16538	1547	1143	1813	10942
Shanghai	16660	25123	2415	4492	6613	58362
Jiangsu	14124	70116	7976	5456	7822	22614
Zhejiang	12462	42886	5539	3468	2918	22365
Fujian	10909	25980	3839	1688	1967	8203
Guangdong	10835	72813	10849	10225	6443	68655
Liaoning	10490	28669	4382	9595	2066	11319
Shandong	10299	63002	9847	2406	2193	27305
Hainan	6551	3703	911	140	312	4894
Hebei	6461	29806	7425	515	736	5725
total	12110	401651	56901	33687	36693	279184
Share of country	142.1%	58.6%	41.4%	83.6%	80.8%	81.1%

Note: Foreign direct investment is stock, and calculated the share of local investment.

Source: The China's National Bureau of Statistic, requoted from Zhong Feiteng (2017b)

Therefore, China's eastern coastal areas have great energy in China's political economy and foreign strategy, which are also the key to understanding China's foreign policy for the next thirty years. When Britain launched the industrial revolution in history, its population accounted for 18.3% of Western Europe. In 1950s when the U.S. dominated the free international order, the proportion of the U.S. population was 27% of that of the West, and only 6% of the global population (Zhong 2017a). Therefore, from the perspective of population proportion, the 500 million developed populations in the eastern coastal area of China are forming a new global impetus. However, as the logic contained in the views of the East and West of Deng Xiaoping, the future China's foreign development is

still constrained by the balance of the relations between the central and western regions and the eastern region, and will still face the difficult challenge of maintaining a great unified pattern. A developed eastern region and a developing central and western region are typical dualities of a giant China. This feature is even more than the dichotomy between urban and rural areas in the typical developing countries, which have been outlined in development economics. The rich as well as poor in China has led to a further question of whether China is still a developing country. The definition of China's economic identity will significantly affect China's security strategy. If China becomes a developed country, all expenditures in the field of foreign relations will be greatly increased, but this is not the priority of the current Chinese government.

To discuss China's security strategy in the context of globalization, we must also see the modern industrial and social nature of China's development and the expansion of the region on which it depends. China traditionally exerted a substantial influence on East Asia through Tributary System. However, China has redefined its neighbourhood since the end of Cold War. For example, Central Asia accounts for half of China's natural gas imports, and Turkmenistan accounts for most of Beijing's natural gas consumption, which is unthinkable in traditional China. There have been concerns about whether a rising China will re-establish a Tributary System in East Asia, and some scholars believe that it will revive in the future based on the rationality of the Tributary System (Park 2017). In terms of economic power status alone, China's share in East Asia will probably not return to its historical position in the next three decades. With the reference of Angus Maddison's data, China's economy accounts for 59.2% of the total 16 economies in East Asia in 1820, and in front of the Tributary System collapsed in 1870, the Chinese economy still accounts for 48.7% of East Asia. By the time of Tributary System collapsed in 1913, the Chinese economy of the East Asia's remains close to 40.0%. China's overwhelming size of economy clearly served as a basis for maintaining the stability of the tributary order. But in the period of Tributary order, East Asian society was still in the agricultural era. The history of modern western colonization tells us that this kind of regional order based on agricultural society cannot withstand the impact of more powerful external forces. As mentioned above, a prominent feature of western industrialization is the high level of per capita GDP. At present, although China's economic aggregate is beginning to approach that of the United States, its level of development as measured by GDP per capita is far lower than that of western power. Even by 2050, however, China will not be able to achieve historical proportion in the broad Asia-Pacific region. In 2050, China's economy will account for 21.1% of the world's total, while OECD countries will account for 44.9% of the world's total, according to the Japan institute of energy economics. Moreover, the interconnected global economy is no longer the relatively independent regional economy in the tributary order, and China and other major East Asian economies are no longer dominated by agriculture. For example, in the American tradition of studying international relations, India has little to do with East Asian affairs. But for China, India has always been regarded as a major power and an important part of China's neighboring relations. China's frequent use of the concept of "neighboring diplomacy" since the early 1990s has not only shaped a vision different from the concept of "East Asia," but also expanded China's geopolitical space. The Belt and Road Initiative (BRI) proposed by President Xi Jinping is also an extension of China's neighboring relations. To a certain extent, in order to hedge the BRI, Japan proposed the "Indo-Pacific" strategy.

## A Complex and Networked Asia Pacific Order

In recent years, China is also gradually learning how to use its growing economic power to hone its diplomatic capability. One issue that has generated much discussion in Chinese academia is whether China's economic capabilities can be effectively translated into strategic influence. On the one hand, we see a deepening economic dependence on China by neighboring countries. China has become the largest trading partner for the most of its neighbors. On the other hand, we also find that neighbors have some concerns about this kind of dependence, and even some countries voluntarily reduce their dependence on China. According to a recent study by Robert Ross, a well-known China expert at Boston College, economic dependence on China alone cannot suppress small countries, and the most effective means to influence their security policies is independent and strong military capabilities (Ross 2019). According to Ross's logic, if China is to intervene in other countries' security policies in the future, it should develop a stronger military. Obviously, such logic is based on the traditional international political concept of balance of power, but it is not in line with China's policies since the reform and opening up. In the future, it will be hard for China to intervene as aggressively as the U.S., even if it accumulated more interests abroad. As repeatedly pointed out above, China's grand strategy is a kind of developmental security. The understanding and assessment of security is based on whether or not it conforms to the needs of domestic development. What is more, even if security and the economy are the necessary foundations for power, the very nature of power itself is changing dramatically.

In early 2017, the U.S. National Intelligence Council released a new version of its Global Trends report. Unlike the previous five editions, this edition does not mark the year 2030 and 2035 in the title as the forecast year as before, but to use the subtitle "paradox in progress" to infer future development (The National Intelligence Council 2017). The central thesis of the report is that the nature of power is undergoing a rapid transformation, with stress being placed on between nation-states and within them. In the future, not only the U.S. dominance will end, but the rules of the international order may also come to an end. If so, international cooperation will become more and more difficult while globalization will be questioned and may play as a negative force in some countries. Although globalization has promoted the Asia's wealth, it has also weakened the western middle class and immigration has become a prominent and sensitive issue in western countries. As the domestic political economy becomes increasingly complex and difficult, the willingness of developed countries to maintain the traditional order has been greatly reduced. Brexit and the election of U.S. President Donald Trump are early signs of this development trend.

Under such situations, the fact that China has been increasingly embracing globalization is undoubtedly a positive signal for regional development. The worry is whether China will completely replace the leadership of the U.S. On the one hand, the U.S. will not give this position an arch, although the Trump administration is retreating from the traditional liberal international order, but some people say that Trump's policy is more consistent with the logic of "conservative internationalism" (Laderman 2018). According to this new term, more attention is paid to the role of military in diplomatic negotiations, and more attention is paid to national sovereignty rather than multilateral institutions. The system emphasizes the nature of the political system rather than the territorial security and the balance of power. This means that it is still possible for the Trump administration to intervene militarily in Asia-Pacific affairs, especially in the face of China's challenges, which is possibly to lead to conflicts. But at the current level of Gap per capita, China is not willing to have a military conflict with the U.S. On the other hand, many countries are familiar with the U.S. after World War II, although there are some complaints about the U.S., but on the whole, the performance of the U.S. has benefited some countries, and all previous

American administrations before Trump have supported the liberal international order and formed a set of stable and expected institutional arrangements, which will promote the economic growth. China is emerging as a leading country but it does not have sufficient experience and cases to bring benefits to other countries, and some multilateral systems that China has proposed, such as the Asian Infrastructure Investment Development Bank, have been accused of the lack of transparency by some countries. The BRI has also sparked controversy over the debt crisis, corruption and environmental problems. Overall, it remains to be seen whether some of China's initiatives in the Asia-Pacific region will be sustainably accepted by the participating countries.

Clearly, the sheer size of the economy alone will not solve the challenges of the above-mentioned problems. Conceptually, Robert Keohane and Joseph Nye demonstrated in the late 1970s that the overall power distribution does not correspond to the issue-area power distribution. A country with a small economy can also become one of the world's top countries in individual issue areas. When Keohane and Nye proposed the concept of complex interdependence, the empirical facts on which it was based came mainly from the relations between the U.S. and Canada, Australia and the European countries, when the average per capita GDP of Western developed countries was close to \$10,000. By this measure, as China's per capita GDP increases further, many countries in China's neighbors can reach this level. According to the current calculation, if the initial results of the BRI are achieved, the GDP per capita of countries involved in the BRI can also be doubled in the next 15 years, which will deepen the complexity of China's neighbor relations. If complex interdependence can be applied to developed countries in the 1970s, the concept can also generalize China's future relations with regional countries.

Another important phenomenon emerging in East Asia since the 1990s is that deep and extensive regional division of labor has linked East and South Asian countries. The impact of the 2011 earthquake in East Japan on the global automobile industry is still fresh in mind, and a flood in Thailand could affect IT product prices as large as those in Beijing. The new global division of labor based on industry chain and value chain has greatly changed the traditional basis of international division of labor that dominates international political logic. In the past, most of America's international political and economic works have been based on the traditional international economic theory, that is, the typical north-south trade model—developed countries export manufactured goods and developing countries export raw materials. Today's world trade model is very different. Flying Geese model, which proposed by Japan in the mid-1980s, is now accepted by most East Asian countries. India's Prime Minister, Narendra Modi, has also been actively engaging with Southeast Asia and even East Asia in its East Action policy. In May 2017, Japan and India agreed to establish “Asia-Africa Economic Growth Corridor,” which was reached not only to hedge the BRI, to some extent, but also to learn experience from the development of East Asia. In particular, small and medium-sized countries can benefit from the economic growth of other countries while maintaining sovereign independence and economic security, as long as the country can involve into the division system of industrial chain. To some extent, it is easy to understand why the strong economic power of China mentioned above cannot be translated into strategic influence. This is not a problem of insufficient military power, but a result of the emerging division of labor in East Asia. If trade between Asian countries is measured in terms of primary goods, intermediate goods and final goods, then we can find more complex interdependence, which is completely different from the trade image based on finished goods. It can be said that the relations between countries formed in this division of labor order have been embedded in multiple networks. To understand the relationship between economic and security in East Asia, it is also necessary to transcend the old model of political and economic theory.

Similar to the concepts of complex interdependence and industrial chain division, many multilateral institutions and multilateral organizations proposed by small and medium-sized countries are emerging in the Asia-Pacific or the Indo-Pacific region. The reason why these systems or organizations can run for decades is to find a different path from the west. Over the years, the ASEAN Way has been recognized by China, Japan and South Korea, and people tend to describe this phenomenon from small horse-drawn carts. But in practice, this kind of generalization based on force is a bit old. The ASEAN Way is effective not because of the balance of power, nor because small countries take advantage of the gap between big powers, but because of Asian ideas and cultures. ASEAN does not see the EU as the only model for regional integration. The recent difficulties in European integration further confirm the ASEAN view that integration requires a solid domestic social foundation and consultations among the parties. If ASEANs development is viewed from a social perspective, the effectiveness of the ASEAN Way will be further confirmed. It has designed the way of consultation and cooperation, and promoted each other's cooperation with process rather than result orientation (Zhang 2017).

Therefore, in the conception of the Asia-Pacific regional order in 2030 and 2050, one should not look for clues only from the Western theories of international relations. In various Western theories of international relations, scholars generally believe that the core mark of a great power is military capability (Zhong 2017b). Although China attaches equal importance to military capabilities, the development of military capabilities should match the needs of the domestic economy and society under the development security strategy. Moreover, since the founding of a new China, China's military expenditure has never reached the corresponding level of the U.S. in terms of the proportion of its economy size. While neighboring countries often accuse China of the increase in military spending at an average annual rate of 10 percent, they have never simultaneously considered that China's economy has grown at a similar rate over the past four decades. Some scholars have pointed out that, if measured by military spending as percentage of total governmental expenditure, China's military growth rate is even lower than domestic expenditure. In this regard, international observers need to have a better understanding of China's domestic affairs and the affairs of the Asian region, which means frequent visits to China and its neighbors, frequent comparisons of regional differences, and efforts to seize the interests and development trends of all parties from various complex regional and trans-regional phenomena. ■

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