WHAT DOES CHINA WANT?

Xi Jinping and the path to greatness

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The mood in Canberra towards the People's Republic of China is souring. No single event has spurred this downward spiral; rather, a string of incidents and actions by the PRC have impelled many in Canberra to re-examine the Beijing government's pledge to rise peacefully. These include continuous media reports about the PRC government's efforts to meddle in Australian society, the PRC's insistence that it has every right to fortify artificial land features in the South China Sea, Beijing's retaliation against select South Korean industries to display its displeasure over Seoul's decision to deploy a US missile defence system, and the hardine speech by PRC President Xi Jinping on the twentieth anniversary of the Hong Kong handover. These have all chipped away at the image of a rising power that is genuinely committed to mutual respect among nations.

Of course, at the official level the relationship is fine. The comprehensive strategic partnership established in 2012 between the two countries is alive and well. The smiles and buoyant mood during Premier Li Keqiang's visit to Australia in March 2017 attest to this. But just below the surface there are numerous indications of a deteriorating relationship and increasing disagreement among Australian policymakers about the right way to engage with China. Protecting Australia's interests with effective responses to the PRC's actions – be they in the South and East China Seas or within Australian society – has never been more demanding.

To be effective, such responses will need to have as a starting point a clear sense of Australia's national interests with regard to the PRC. Australian decision-makers also need to have a clear grasp of the national interests of modern-day China in the minds of its leaders. The driving forces behind the ambitions of the Communist Party of China (CPC) are intertwined with a historic longing for greatness, which unites rulers and citizens.

Geography defines destiny. Just as Australia's sense of vulnerability stems from its geography and a "fear of abandonment" by its security guarantor, Chinese strategic anxiety is shaped by a fear of encirclement. In the PRC's view, the United States has flourished in part because of its benign environment. If China were situated where the United States is and had but two friendly neighbours, it would not be concerned about encirclement. Instead, hostile adversaries from overland or across the sea have contributed to the collapse of Chinese dynasties over millennia.

Chinese strategic culture is also shaped by a preoccupation with legitimacy. Confucian thought stipulated that the right to rule – the Mandate of Heaven – was bestowed upon virtuous rulers. It was – and still is – impossible to know when a dynasty loses this mandate and collapses, only that such a fate befalls unjust rulers. The existential anxiety of today's leaders of the CPC, regardless of the PRC's recent resurgence of power, arises from a fear that the Party is losing its legitimacy. Behind closed doors they acknowledge that the Soviet Communist Party collapsed because it lacked legitimacy in the minds of the Soviet peoples. Chinese senior officials are haunted by this example, not to mention the fate of Romania's Nicolae Ceaușescu (executed by his own citizens).

The need for those in power to provide security while maintaining legitimacy – however defined – is one of the key factors that need to be considered when answering the question: what does China want?

But, first, one must define China. Are we talking about "China," the civilisation for which not only over 1.3 billion citizens of the People's Republic of China feel a deep affinity, but also most of the over 50 million people of Chinese heritage who are citizens of other countries? Are we referring only to the citizens of the PRC? Or does China stand for the CPC, which in 1949 founded this one-party authoritarian state? This is not a quibble about semantics, but fundamental to understanding the complexities of China's ambition. People of Chinese heritage universally, PRC citizens included, and the Party

all desire certain things – respect, for example. But even then, they would disagree on the methods and pathways to gain respect.

The more assertive China becomes, the more important it is to distinguish between CPC ambition and the emotional pull that people of Chinese heritage feel towards their cultural roots. In Canberra, officials and commentators alike would do well to use the words "China" and "Chinese" more prudently. Why not speak of the People's Republic of China, or PRC, when we mean the state that calls itself just that?

This essay primarily explores the question of what China wants from the viewpoint of the CPC leadership. After all, it is predominantly the decisions the Party makes which will affect the PRC's future and that of the Asia-Pacific region. Concerns about the Party's intentions loom large when Australians discuss possible PRC threats to national security, the rule of law, sovereignty and the Australian way of life.

To seem indispensable

The communist leaders of the PRC have an overriding existential desire: to stay in power. Some would say that this is true of politicians the world over, regardless of the political system. In some regards it is, but in the PRC there is no mechanism such as an election to cast aside one party, nor is there an alternative political party to turn to if the current one is deemed incompetent or unwanted.

Moreover, in the PRC the ruling party uses brute force to deter the emergence of any opposition to its rule. Voices of dissent are quashed.

The internet and media of all types are controlled. Citizens of the PRC are constantly reminded that the demise of the Party would mean political upheaval, with all the associated risks of instability. In the CPC's narrative of history, this leads to weakness, division of the country and, inevitably, the suffering of ordinary people. After the Soviet Union disintegrated, the PRC media focused on the social havoc that ensued, especially its effect on ordinary Russians. In Chinese, the expression "to walk the Soviet road" became synonymous with "chaos."

Of the core interests the Party publicly acknowledges, upholding the socialist system – keeping the CPC in power – is routinely mentioned first. Territorial integrity and upholding sovereignty comes second, followed by ensuring sustainable economic development.

The Party is desperate to instil in the citizenry a sense of its own indispensability. In public statements, propaganda officials emphasise that it is thanks to the Party that China is united, that living standards are improving, that China is now respected, and that China's national strength, however measured, is rising. For example, in August Xi Jinping, marking the ninetieth anniversary of the founding of the People's Liberation Army (PLA), said:

> Over these ninety years, our country and our people have experienced setbacks and advances, suffering and glory. We have witnessed unprecedented historical change, and realised the great leap from standing up to growing wealthy and strong. This is the victory of the strong CPC leadership, it is the victory of the

Chinese people's unremitting struggles, and it is also the victory of the courageous People's Liberation Army.

Xi and his peers have every reason to feel jittery about losing power. Marxist-Leninist thought does not capture the imagination of PRC citizens; getting rich does. Economic growth has been the bedrock of the Party's legitimacy since 1978, when the PRC did an about-turn and embraced the policies of Deng Xiaoping's reform and opening. Hundreds of millions of people have been lifted out of poverty; nearly 300 million people have moved into the middle and wealthy classes. Rising living standards have led to an expectation that the upward trajectory will continue. But economic growth is slowing. The next wave of necessary reforms to restructure the economy will infringe upon the benefits of privileged interest groups that are essential to the Party's grip on power. Therefore, Xi dithers and to date has not summoned the political courage to embark on genuine restructuring, as was envisioned in the ambitious sixty-point reform agenda in 2013, one year after he took the helm.

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At the same time, respect for the Party has declined considerably, both among elites and ordinary people, because of rampant corruption and nepotism among Party members. Xi Jinping is intent on

restoring the authority of the Party. He has overseen a ferocious anti-corruption campaign that has lasted longer than any previous one. He sprinkles references to both revolutionary Mao Zedong thought and ancient Confucian thought through his speeches, insisting that Party members need to be morally upright model citizens. He has not only ordered ideological education to be strengthened in schools and state-run workplaces, he has also created new CPC entities to ensure that the Party, not the government, is in firm control of key decisions.

When Xi Jinping became leader of the CPC in late 2012, he set as his goal the "great rejuvenation of the Chinese nation" and embraced the "China Dream" as his signature slogan. There is much in common with Donald Trump's aspiration to "make America great again": more jobs, more respect, a return to military greatness. As with the American version, which had been promoted by Ronald Reagan more than two decades earlier, the China Dream had been discussed for a decade or so whenever Party ideologues debated how to justify policies with something other than tired Marxist-Leninist slogans.

To be wealthy and powerful

Understanding the motivations and undercurrents behind Xi Jinping's China Dream is essential to understanding what China – defined as the CPC leadership – wants. Officially, the China Dream has four parts: Strong China (economically, politically, diplomatically, scientifically, militarily); Civilised China (equity and fairness, rich culture, high morals); Harmonious China (amity among social

classes); and Beautiful China (healthy environment, low pollution). In reality, the China Dream is shorthand for Xi Jinping's ambition to restore the ideological legitimacy and attractiveness of the Party by making China wealthy and powerful. He wants to boost the self-esteem of all Chinese, but especially Party members. Otherwise, CPC members in China may face the same fate as their Soviet or Romanian comrades.

The objectives of the China Dream are stated in the "Two Centenary Goals: "comprehensively build a moderately prosperous society," defined as doubling 2010 GDP and per capita income by 2021 (the year the CPC celebrates its 100th birthday), and to "build a modern socialist country that is prosperous, strong, democratic, culturally advanced and harmonious" by 2049 (the centenary of the People's Republic of China).

Senior leaders know the Party must continue to raise the living standards of PRC citizens. This alone is a gargantuan task. Despite China's rapid growth, its booming international trade and expanding overseas assets, it is worth considering that only one-fifth of the population – that is, 260 million people – are considered middle-class, while 150 million Chinese still live in extreme poverty (under US$1.90 per day) and a staggering 360 million live on less than US$3.10 per day.

Though maintaining economic growth is essential to keeping the CPC in power, it alone will not suffice. The China Dream encapsulates a historical yearning for wealth, power, respect and global standing. But there is a difference between the emphasis the Party places on one

type of historic narrative and a distinct and deep historical consciousness that is shared by many, if not most people of Chinese heritage, regardless of their nationality.

"YanHuang ZiSun" (炎黄子孫) – descendants of the legendary Fiery and Yellow emperors – is a neutral term to describe all people of Han Chinese heritage. A common trait is a keen awareness of the uniquely long history of uninterrupted Chinese civilisation and cultural achievement which makes them an exceptional people. Whereas American exceptionalism is imbued with the energy of "the new," Chinese exceptionalism draws upon "the old" – from its over five millennia as a distinct civilisation. In casual conversation educated people of Chinese ethnicity, regardless of their nationality, regularly draw historic parallels using allegories and sayings with which the Chinese language is rich. When speaking of a person who has overestimated himself or herself, it is common to say, "He presents himself as a master at the door of Lu Ban," a legendary master craftsman, called the father of Chinese carpentry. "When the lips are gone, the teeth will be cold" is a saying from a well-known story about the interdependence of two adjacent states from China's antiquity. Military leader Zhu De used it during the Korean War to stress that without North Korea as a buffer, the PRC would be exposed to invasion. Until recently, PRC commentators still described Beijing's relationship with Pyongyang with the expression "as close as lips and teeth."

The Chinese understanding of time also tends to differ from Western concepts. Whereas linear interpretations of history are the

Western norm, the Chinese assess history based on recurring patterns. This cyclical understanding of history is exemplified in the opening words of the classical novel *Romance of the Three Kingdoms*: "The empire, long divided, must unite; long united, must divide. Thus it has ever been." Dynasties rise and fall, but Chinese civilisation endures. In private conversation, CPC officials and ordinary citizens alike allude to a presumption that the People's Republic constitutes just one cycle in Chinese history and so is destined to one day lose the Mandate of Heaven.

To redress the history of victimhood

The CPC's narrative about history certainly emphasises China's remarkable culture and civilisation. However, it is obsessed with the "century of humiliation," approximately from the 1840s to the 1940s. The same message has been drummed into the consciousness of every person educated in the PRC since 1949: Chinese people suffered horribly at the hands of outsiders, especially Japan and the Western powers – which indeed they did. China was subjugated by outsiders because it was weak, and the Party is to be thanked for making China strong again. (This too is a reasonable statement, though it is first and foremost PRC citizens who deserve credit for the achievement.)

An elaborate tapestry of humiliation and shame is part of the national psyche. It creates troubling undercurrents and inhibits the formation of a neutral view of other countries. Most every nation has a period of history that evokes shame, but in many countries the

painful period is addressed, a more constructive national narrative gradually becomes the norm, and the nation moves on. In the PRC, the century of humiliation continues to hold immense emotional sway over citizens because the Party reminds them of the abysmal state of the nation during that period and its role in ending it. The century of humiliation is the focus of a constant stream of new books, articles, musicals, television dramas, art exhibitions and even theme parks. To quote academic Zheng Wang, it is a "lasting trauma seared into the national consciousness."

This legacy of victimhood colours the way PRC citizens, including policymakers, view the outside world and how the PRC should interact with other states. Corruption within the bureaucracy and widespread addiction to opium have been pinpointed as reasons for the Chinese empire's demise at the hands of foreigners: hence the CPC campaigns to promote strong and healthy citizens and improve moral standards.

The longing for greatness is not Xi's invention. It was Jiang Zemin who first promoted the "great rejuvenation of the Chinese nation." For most citizens, that translates into the necessity that the PRC be strong. The vast majority of PRC citizens agree with Xi's vision – and that of the leaders before him – that the PRC should strive for wealth, power and greatness.

Efforts to rapidly construct a modern naval force, for example, are driven by the vulnerability the PRC feels in its near waters. The century of humiliation and fear of foreign encirclement also in part explain Beijing's insistence on its territorial claims in the South

China Sea. Senior Australian security officials have said that China has already achieved its goal of creating a buffer zone through the construction of facilities on man-made features in the South China Sea. To the PRC government and citizens, any concessions made in disputed waters would compromise the PRC's territorial integrity, and would be akin to surrendering Hong Kong to the British Empire or allowing foreign concessions in Shanghai. The Party's spokespeople and social media campaigns alike emphasise that during the first decades of reform the PRC was passive and watched idly as its interests were encroached on by other claimants. Now that the nation's strength has been restored, there is the need to "not yield a single inch of dirt" of PRC territory.

Xi has built up enormous expectations by his words and actions about China's role in the region

The spotlight on the century of humiliation also sensitises PRC citizens to any hint of their country being mistreated or belittled on the international stage. All affronts to the PRC's national dignity must be met with a strong response. PRC netizens bemoan the way their nation is still "bullied" by smaller countries such as Vietnam and the Philippines in international courts, despite its far greater military strength. They also complain about their submissive and weak leaders. In a reflection of the imperial tributary system mindset, nationalist commentary includes claims that China is a "big country" and all neighbouring states are "small countries" that must pay due deference.

There is also an insecurity, never articulated in public but sometimes in private, which stems from the acknowledgement that democratic nations will not respect the PRC until there is more transparency and accountability in the political system and before human rights abuses are drastically curbed. Even then, private views among educated citizens of the PRC about the desirability of a more pluralistic political system have become far less certain over the past decade. The global financial crisis, continuous terrorist attacks in Europe, mass shootings in the United States and the rise of populist politicians, culminating in Trump's election victory, have all seriously undermined the appeal of parliamentary democracy.

PRC citizens are no different from any other people in their feelings of pride for their country. They are proud of numerous artistic creations and technological inventions over the millennia; proud of the name "Middle Kingdom," which places China at the centre of the universe; and proud of the PRC's immense accomplishments over the past four decades of modernisation. But the ongoing reminders by propaganda officials of the "historical hurts," as historian Ian Buruma has called these affronts, increasingly brings to the fore an explosive type of nationalism, which seeks to wipe out the humiliations of the past.

To lead the region

Besides staying in power, the CPC aspires for the PRC to lead Indo-Pacific Asia. But India, Japan and the United States will make sure that for at least some time to come, decades even, it does not lead the

region alone. The ambition, goals and behaviour of the PRC, India, Japan and the United States will shape the region, and to an extent the international system.

Xi Jinping and his colleagues will have to continuously balance between providing security and ensuring legitimacy. A peaceful environment is imperative if the PRC is to continue to modernise. Xi wants to go down in history as a transformative leader. As the son of a well-known revolutionary leader, he is viewed in China as the CPC flag-bearer and trailblazer of the twenty-first century. He has worked for the Party his entire life. He had extensive experience in demanding leadership positions, among others as a provincial Party secretary, before he was appointed in 2007 to the CPC Politburo Standing Committee. To make China great again, Xi must summon the political courage to reform the economy, a risk-laden process, as it could endanger domestic political stability. He also needs peace on China's borders.

On the other hand, the PRC's leaders simply cannot risk being perceived as weak by the people. Xi has built up enormous expectations by his actions and words about China's role in the region and its military strength, especially on maritime sovereignty issues. CPC emphasis on past victimhood and the increased capabilities of the PLA strengthens a nationalist mindset. Because the leaders are insecure about their political legitimacy, propaganda officials tend to have a knee-jerk reaction to actions or statements by outsiders that are deemed confronting.

No one can say with certainty how the PRC will use its power in the years ahead. There are scores of examples from the past few years, which point to a PRC tendency to ignore international rules and use coercion when it does not get its way. Less noticed are the scores of examples which point to a PRC that abides by the rules and norms of the international order. These rules are all ones that the PRC had no hand in shaping.

There are also scores of examples of other great powers that bully smaller states and disregard decisions by international courts. Throughout history, a rising power has always demanded adjustments to rules that it deemed threatening to its national interests.

Canberra faces a genuine conundrum. Australian senior officials and government ministers repeatedly acknowledge the right of the Beijing government to have more say in regional affairs. But then they hasten to add that this must take place according to the rules-based order that underpins security and prosperity in the region. No one spells out that this rules-based order is the one that the PRC had no role in shaping, only that it is the order that Australia deems as advantageous for Australia.

For example, last June, in his first major foreign policy address as prime minister, Malcolm Turnbull said that the PRC will play a larger role in shaping the region, and that it is natural that Beijing will seek strategic influence to match its economic weight. He added: "We want to see China fill the leadership role it desires in a way which strengthens the regional order that has served us all so well." Here, precisely, is the conundrum. This "regional order" is the one established and dominated

by the United States and underpinned by its military power. Australia accepts that change is in the air, but refrains from acknowledging that the change will probably happen in ways that are not favourable to its own interests. The regional order with the United States as the prime security guarantor is not the regional order the PRC wants any longer.

At the same time, we do not know what kind of an order Xi Jinping aspires to. He has said that Asians should be responsible for security in Asia. He has spoken of a community of common destiny. But the PRC knows full well – and officials acknowledge this in private – that China relies on the United States to constrain a surge of Japanese nationalism which could lead to a nasty rivalry between Japan and China. The US role is pivotal, but what kind of role it could have in a China-dominated region is unclear. The unpredictability and unreliability of the Trump administration's Asia policies make Australia's predicament even bleaker.

How Australia should respond to what China wants

Australian prosperity is dependent on the PRC in a way that simply cannot be ignored. Australia cannot kill the golden goose that keeps on giving. Despite enormous problems, including the reluctance of special interest groups to accept reform of state-owned enterprises, a rapidly ageing population and severe environmental degradation, the projected growth of the Chinese middle class is staggering. On moderate estimates, it will grow from 12 per cent of the population in 2009 to 73 per cent in 2030; that is, 850 million people.

Alarm about the PRC's intentions and what they mean for Australia is especially palpable among the security establishment in Canberra. It seems as if each news report describing China's unsavoury actions is greeted with the muttered words, "I told you so." As if those who view Australia's relationship with the PRC through a mostly black lens were the only ones who ever understood the extreme challenges of dealing with an undemocratic, authoritarian but increasingly influential state.

Never before has it been more important for Australia to find ways to build on its strategic comprehensive partnership with the PRC. Getting closer does not mean cosying up. Understanding the aims and also the policies of the PRC is paramount. Only then can Australia have any hope of exerting influence on China's policy choices – either alone or preferably with regional leaders such as Indonesia. Australian policymakers should know their PRC counterparts as well as they know their American ones. This will require enormous effort. There is no question that protecting Australian interests as the PRC's ambitions grow will be an ever-increasing challenge for Canberra.

Australia also needs to devote greater resources to forging close ties in the region. Australia already invests considerably in its relationships with Indonesia, Japan, South Korea and India. But Australia's ability to work with these four countries, as well as with the PRC, will determine Australia's future. So if resources that facilitate meaningful, across-the-board engagement are scarce, as they often are, extensive funds should be channelled selectively – and only to these five.

Perhaps the most complex challenge for Australia's political leaders and public servants will be to rationally manage efforts by PRC officials to interfere in discussions about the PRC within Australia. Sometimes the attempts are part of legitimate public diplomacy. Sometimes the attempts confront freedom of speech and academic freedom, or occur indirectly with the help of students or other PRC citizens.

Recent media reports about these efforts have caused jitters among Chinese Australians. Xenophobic reactions or finger pointing risk tearing apart social cohesion.

Xi strikes a chord beyond the borders of the PRC when he speaks about China's rich cultural heritage. Overseas Chinese, including Chinese Australians, are proud of that heritage too. This can cause conflicting emotions in those who do not feel an attachment to the PRC or those who abhor some of the policies of the PRC but still honour their Chinese cultural heritage. Many Chinese Australians also take issue with the Australian media's relentless criticism of the PRC; they find it emotionally taxing to hear the country of their ancestors being badmouthed, even if they agree with some or even much of the criticism. Furthermore, even those who characterise themselves as "no friend of the CPC" wish that fellow Australians would understand that the CPC deserves credit for overseeing the dramatic and positive transformation of the past forty years.

Australians of Chinese heritage today number approximately 1 million. The contributions of the diverse Chinese-Australian

communities to Australian society should not be overlooked. Senior government ministers should articulate this in a high-profile public setting. In the present climate, Chinese Australians or PRC nationals who are permanent residents feel targeted by the media and the mainstream Australian population at large. In particular, those PRC-born Australians who cherish Australian values and condemn attempts by Chinese international students to curb academic freedom in Australian universities worry that they will be viewed as "stooges of the CPC." In turn, Australians of Chinese heritage who are not from the PRC complain of the same anxieties, because they feel all people of Chinese background are viewed as one.

From hardline speeches by Xi, the military parades celebrating the PLA's ninetieth anniversary and shows of strength from the PLA Navy in China's maritime vicinity, it is evident that Xi is doing his best to lay the groundwork for the PRC to one day assume the dominant position in the region. How disruptive the push-and-pull becomes between China and the rest of the region – and between China and the United States, in particular, as China seeks to increase its sway in Indo-Pacific Asia – will define peace in the region.

Australia will be part of that push-and-pull. Maintaining a fruitful and constructive relationship with the PRC in all its dimensions is the biggest challenge Australia has ever faced. ■

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