

## Constructing Visions of China: Theories and Purposes and Interests

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### Introduction

Despite many epistemological differences, a key strand that links critical and postmodern thinkers is the understanding that theory and knowledge are never politically neutral. In the oft cited words of Robert Cox echoed in the title of this paper, 'theory is always for someone and for some purpose'. In this paper, I argue that dominant conceptions of China in the West exaggerate China's wealth and power. This constructed image of China partly results from the actions of key actors in the West who attempt to create an understanding of China to persuade policy makers to adopt favoured policies. But these images also result from the dominance of theoretical approaches in analysis of China's global role that focus on the nation state as the unit of analysis in international relations (IR). In particular, those approaches that separate the domestic from the international as separate spheres of enquiry fail to

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consider the domestic context of China's IR whilst those studies that focus on international economic relations between states both and the reality of globalised production that spans (or perhaps even transcends) national political boundaries. Whilst China is clearly important and likely to become ever more so, a different 'knowledge' of China's power and position in the global order is generated by deploying different theoretical approaches; approaches that (re)connect the domestic with the international, that acknowledge the fragmentation of production (and trade) in a post-fordist globalised economy; and move away from an understanding of states as the sole repositories of power in the global political economy.

### Different Visions of China

Popular visions and understandings of China vary significantly, so any attempt to provide an overview can only deal in challengeable overgeneralizations. With this caveat in mind, we can observe that there are four major strands to popular visions and understandings of China today (in the UK at least) – the first two of which are the most important in shaping popular understandings, and in some places, policy towards China.. The first is a vision of an authoritarian China. Like it or not, human rights remains a firm focus of much policy and journalistic work on China, kept in the public profile by the campaigning work of groups like Amnesty International and media reports. There is an extent to which this discourse is driven by a concern that the west is somehow colluding with authoritarianism or perhaps turning a blind eye in the pursuit of the more tangible economic benefits from relations with China. For example, debates over the ethics of google's interests in China echo earlier debates over the rights and wrongs of Rupert Murdoch's commercial relationship with the Chinese authorities. This focus on human rights frequently clearly irks many in China

– and not just party-state officials. Nevertheless, whilst it may be unpalatable in China, it is important to accept that this is indeed a strong basis of many external visions and understandings of China - and indeed is likely to come into stronger focus as attention turns to China in the run up to the 2008 Olympics.

Until fairly recently the focus on authoritarianism and Human Rights was the dominant vision of China – particularly after 1989. But more recently, a second vision has emerged alongside it – a vision of a rich and economically (at least) powerful China that provides new challenges to the existing balance of power in the global order. Whilst what China *might* become at some point in the future is the focus for some, there is already a school of thought that conceives of China as *already* having great power in the global political economy, and a larger school that suggests that the assumption of power is *inevitable*.<sup>1</sup> It might be tempting to dismiss these works as sensationalist, but it has resonance amongst a public who see media stories of the world’s biggest ship bringing 11,000 containers of Christmas supplies from China to Europe ‘to the relief of children, parents and shopkeepers everywhere - but to the despair of European manufacturers’ (Vidal 2006). And at times, the fear that this ‘new manufacturing superpower (Vidal 2006) is leading to job losses in the West comes to the fore of political campaigning as well – particularly during election campaigns in the US. Not only is this understanding firing popular perceptions of China, it is also has considerable purchase in some policy making circles, influencing the adoption of policy towards China.<sup>2</sup>

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<sup>1</sup> For the argument that as a result, military conflict with the USA is inevitable see Bernstein and Munro (1998), Timperlake (1999), Gertz (2002) and Menges (2005). Mosher (2000) argues that China’s centuries old superiority complex is driving s strategy to return itself to its rightful place of global dominance, while Thomas (2001), and Babbin and Timperlake (2006) suggest that China is willing to ally with radical Islam to find a means of overcoming the US. For the view that economic superpower status is here or inevitable, see Weidenbaum and Hughes (1996), Bacani (2003), Overholt (1994) and Murray (1998).

<sup>2</sup> Though not in the professional China watching foreign policy community in the UK at least.

As noted above, these two visions tend to be dominant, but there are other visions and interpretations. A third broad approach points to a bleak future. For some, China has reached the limits of economic liberalisation within an authoritarian political framework (Pei 2006) and is in a state of crisis (Pei 2002) searching for a miracle (Naím 2003) to avoid the collapse of party rule and perhaps even the Chinese state (Chang 2002). And then there are those who form a fourth broadly defined group who acknowledge that massive changes have taken place in China and that China's global significance has increased, but also point to the developmental problems that remain to be resolved (and in some areas are getting worse), the real social tensions that in some cases have been exacerbated by reform, and the domestic governance challenges for the CCP.<sup>3</sup> This latter set of writings tends to be academic rather than policy oriented or 'popular' – and increasingly chimes with the research agenda of Chinese researchers, the political-economic stance of the group of Chinese intellectuals who fall under the broad heading of the 'New Left' and the developmental agenda of the fourth generation of Chinese leaders under Hu Jintao and Wen Jiabao. Whilst these understandings have been reflected in the media,<sup>4</sup> they do not seem to have a significant impact on popular visions of China. Perhaps shades of grey are simply less interesting and less immediate than stark black and white statements and interpretations.

This paper has started from the assertion that Chinese power in the global system is exaggerated and not surprisingly, would fit squarely in the last of these four (overly)broad characterizations. But while the intention is indeed in part to provide an antidote to some of the more hyperbolic interpretations of Chinese power, its main

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<sup>3</sup> Examples include Croll (2006), Bernstein and Lu (2003), Solinger (2005) and Breslin (2007).

<sup>4</sup> In the UK, James Kyng of the *Financial Times* and Jonathan Watt of the *Guardian* regularly file stories focusing on those negative impacts of liberalisation that have formed the basis of post 16<sup>th</sup> Party Congress policy.

intention is to consider *why* these different interpretations emerge (rather than simply whether they are ‘right’ or ‘wrong’). In trying to explain these varying approaches, we need to concentrate on different sources of information, different audiences and different theoretical approaches.

### Explaining Conflicting Visions

#### **Evidential Contexts**

It is not being entirely frivolous to suggest that places like Shanghai exacerbate this (mis)understanding. Images of the Jinmao and Pearl TV Towers and the rest of Pudong have become common across the world as representative of the vibrant growing and increasingly rich Chinese economy. The problem here is when all of China is equated with Shanghai with the many other experiences that are simultaneously present in China ignored. Even people who visit China typically do not stray far from the newly built modern urban centres, and can often be heard to explain that they have been to China and that they have seen the wealth (the problem is that they usually haven’t seen the less well off and the poor).

For those of us lucky enough to spend much of our time either in China or reading about China, there is a rich pool of evidence for us to draw on in building our understandings. Clearly this is not the case for many visitors to China, and even less so for the general public whose contact with China is overwhelmingly from a distance or ‘second hand’. Here what is provided by the media is of course very important, as too is the direct exposure that they have to China or things Chinese. In much of the West, this was until recently pretty much confined to food (and in the UK at least what is known as ‘Chinese’ food is largely a form of Cantonese cuisine that has become anglicized over the years). Over the last decade (and particularly over the past

five years) the rapid growth of Chinese exports has increased exposure to the idea of China as a global economic force. Quite simply, when people think about ‘China’, two key words often come first – ‘Made In’.

This economic focus has been reinforced by the growth of Chinese outward investment. Though still relatively small by global standards, the purchase of Rover by SAIC in the UK, and the ultimately unsuccessful attempt to buy the US based Unocal oil firm have contributed to the idea that not only is China becoming a major global force, but that the ‘Chinese are coming’ (a google search on this phrase on 10<sup>th</sup> November 2006 generated 48,500 hits!). And for some, the arrival of the Chinese is often equated with the removal of employment.

*Per capita or Gross? Size really does matter*

There is also the question of how evidence is calculated. Clearly if you take a gross national position, then understandings of China might be rather different than deploying per capita perspectives. Not very much multiplied by 1.3 billion equals an enormous gross figures. We will return to the importance of per capita perspectives later, but here it is worth acknowledging that the evidence supplied by gross figures is important for some people. China might be a very low per capita producer of CO<sup>2</sup> for example, but sheer numbers mean that the amount of CO<sup>2</sup> China produces really is significant and really does have an important impact on the global commons.

Using this form of evidence is valid – and reinforces understandings of China’s size and importance. Where there is a problem is in thinking of solutions. Returning to the environmental example, China is rightly identified as being a major source of CO<sup>2</sup> emissions, but if the per capita dimension is not considered, then it might not be possible to think of effective solutions to the problem. For example, if

existing conceptions of solutions are just based on dealing with the environmental consequences of wealth which might be expected with this level of emissions (and indeed, does form part of the problem in China), then those environmental issues that are consequences of underdevelopment and indeed even poverty may not be considered.

So in alerting policy makers to why China is significant, then perhaps the gross size is important – its what's done after the alerting that can be problematic if more nuanced approaches built on the reality of contemporary China are not ignored. Here, I invoke the perhaps most often cited of Robert Cox's ideas – that theory is always for some one and for some purpose. So, as the title indicates, for whom and for firstly what purpose are these images of China constructed?

### **For What Purpose**

#### *China as the Orange Peril?*

Like it or not, many people outside China really are worried about what the rise of China will mean for them. Echoing Napoleon's warning to 'Let China Sleep, for when she wakes, she will shake the world', it's the speed of the change as much as the change that is focussing attention on China. It is not that long ago that China was sleeping and irrelevant for most people in the West – that it has become relatively important so quickly perhaps explains why fear of China is sometimes so exaggerated.

But there is more to it than this. People really are worried about what China represents now, and what China will or might mean for the global order. Here we partly return to the issue of human rights and perceptions of a China that does not adhere to 'our' way of thinking or 'our' way of doing things. And China also represents in one entity two of the big fears of the twentieth century – the challenge to

the west from a resurgent and confident Asia, and the challenge to the west of communism. In this respect, the twentieth century challenge to the west is embodied in the construction of a sinophobia against a China that is both the yellow (Asian) and red (communist) perils combined, and therefore becomes a new ‘orange peril’.

### *Promoting Visions of China in China*

This fear of China is, in some parts at least, a consequence of the way in which the Chinese authorities themselves have constructed a vision of China within China that is then (partially) seen overseas. From the very onset of the reform process in 1978, the Chinese leadership itself has placed a heavy emphasis on growth as an indicator of success, and as a means of gaining legitimacy. In the past at least, Chinese authorities have not shied away from triumphing their success in generating growth and doubling, trebling and quadrupling GDP. Indeed, the target of raising GDP by a factor of X was an often and loudly proclaimed objective of economic reform in the first place.

It is true that this message has been tempered when it comes to the international level. The message from the Chinese leadership to the rest of the world is yes we are important and becoming ever more so – but please don’t forget that we are still a relatively poor and developing country (so don’t place the obligations and expectations of a rich developed state on us). A good example is the construction of the image of China’s position in the global trading system – yes China is important and significant and should not be ignored, but China is not the threat that many suggest. It is somewhat ironic, though, that while the ‘peaceful rise’ of China hypothesis might originally have been designed to assuage concern over China’s emerging regional and global roles, for some people at least, it has refocused attention on the inevitability of China’s jueqi 崛起, rather than the heping 和平 half of the slogan.

It is also true, that the domestic discourse has changed with the transfer of power to the fourth generation of leadership in the guise of Hu Jintao and Wen Jiabao. The new emphasis on harmonious development is based on a recognition that much still remains to be done in terms of promoting development (as opposed to just generating growth) and that the reform experience has not been wholly successful for all. Which brings us to the key issue of the relationship between growth and development, and interpretations of the two.

### **Growth Fetishism**

When viewed with a little more historical distance, the 16<sup>th</sup> Party Congress may well come to be seen as a key turning point in the evolution of economic reform in China. It is not so much the focus on dealing with the negative consequences of reform that have become associated with the Hu-Wen leadership, though this is clearly important. It's more that for the first time (or more correctly, for the first time for a while), there was a formal recognition that growth and development were not the same thing, and that it was time to move the focus of attention from the former to the latter.

There is much that could be said about this domestic change, but in terms of discussing how visions of China are constructed, the emphasis here is on the extent to which external observations of China have tended to either focus on growth rather than development or often to simply use the two terms interchangeably. As growth is primarily a quantitative issue and development more qualitative, this creates a number of misunderstandings (although there are was of 'measuring' development of sorts – for example, Human Development Indexes). First, when you start from a very low base, very high growth rates can be generated in relatively poor countries; produce one tractor one year and two the next, and you have 100 per cent growth, but you still

only have three tractors. And then, of course, there is the additional questions of which statistics to be used, Purchasing Power Parity (PPP) or atlas method exchange rates, and the already mentioned divergence between per capita and gross figures. Proponents of Chinese wealth and power point to close to double digit growth maintained for over two decades, yet China still remains a relatively poor country in per capita terms coming in at 107th using PPP (US\$6,600 per capita) and 128th (US\$1,740 per capita) using the atlas method in lists of the world's richest countries in per capita terms (and on a couple of occasions, people have simply flatly refused to accept this as true – it does not correspond at all with their own visions of China). China as a whole may no longer be considered to be 'poor', but is still on ranked as a 'middle income' country at best, and more often as 'lower middle income'. If we take the higher of the per capita income figures using PPP calculations, then China still comes out below Kazakhstan, Namibia, Tonga, Iran, Equatorial Guinea, Thailand, Costa Rica and many others. Yet this is something that is overlooked or perhaps deliberately ignored in the construction of some visions of China as already rich and powerful.

Furthermore, whilst growth is clearly important in providing the wherewithal for development programmes, growth does not necessarily lead to development. The actions of governments in particular, but also other social forces are crucial in ensuring that growth is utilised – perhaps 'captured' - to create development. And has been argued by Wang Shaoguang and Hu Angang (1993, 2001) China's ability to capture the benefits of growth and use it for developmental projects – China's 'state capacity' - has been very poor (even after the 1994 fiscal reforms). There also seems to be a common assumption that China *will* follow the same path of progression up the value chain and follow the same developmental trajectory of places like South

Korea. Of course this *might* be the case (and in fact, I think it probably will), but to assume that it is inevitable is simply apolitical and ignores the key role of governments in establishing developmental policies and transferring growth to development. Let's put teleological explanations aside and think of the typical definition of politics as 'the art and science of government'. As Zha (2005) notes, whilst emulating the earlier developmental states of East Asia is highly possible and perhaps probably, emulating the developmental failures of Latin America in the 1970s is not impossible.

In addition, the investment-trade nexus has created growth and boosted China's international profile without generating as much development as the growth figures might suggest to the casual observer – an issue we will return to later in this paper.

### *Growth Fetishism and the Neoliberal Project*

It is not surprising that people often focus on China's growth figures – they really are impressive and as noted above, most people do not have the time and resources to delve beneath the headline figures to think in more nuanced ways. Related to this, and somewhat tentatively, the focus on growth and might possibly be related to the desire to promote the neoliberal project. The idea that China has witnessed massive and rapid economic growth by abandoning socialism and embracing market capitalism might represent a misunderstanding of the relationship between state and market in contemporary China. Nevertheless, the understanding that Chinese growth is because 'the masters of China turned towards capitalist enterprise' (Baumol 2002: 3) and participation in the global capitalist economy has become widespread, and the 'success' of capitalism posited in stark contrast to the 'failure' of socialism.

Furthermore, this is a message that appears to being heard and acted on in at least some parts of the leadership of other reforming socialist states.

### **Location, Perspective and Interest**

Where you are writing from (connected to who you are writing for) also appears to be an important determinant of interpretations of China. This is partly because different analytical approaches dominate academic and policy debates in some parts of the world. For example, realist perspectives that are built on assumptions that generate specific understandings are much more dominant in East Asian academia than they are in parts of Europe (we will return to the issue of different theories and approaches shortly). It is also because the implications of a changing China are differentially felt across the globe. For example, within East Asia, the growth of the Chinese economy has already had a profound impact on both the structure of the regional political economy, and on the developmental trajectories of individual regional states. The significance of China is clear and present (though whether significance equates to power is a different matter).

So the significance of China is perhaps understandably more real and obvious in East Asia than it is elsewhere. Interestingly, the conception of China as a threat is also much more evident in the US than it is in Europe for example, and the majority of the literature predicting a future Chinese superpower challenging US power emerges from writers based in the US, largely intended to influence US policy makers. In discussing this diversity with colleagues based in North America, it has been suggested that this reflects a lack of understanding of what China will become in Europe. There may have been some truth in this assertion in the past, but China is now very much on political and academic agendas across Europe today. Perhaps a key

difference here is the wide scale acceptance in Europe that there is little we can do to change the evolution of china's futures. As a 2000 report from the British House of Parliament on UK relations with China put it, 'the United Kingdom can only hope to influence events in China at the margins' (Foreign Affairs Committee 2000). But in the US, a change in policy towards China could make a difference – hence perhaps the intensity of competition to influence policy makers.<sup>5</sup>

This intensity of discussion in the US has, I suggest, resulted in China being exaggerated to support different stances on Washington's China policy. To oversimplify the situation, both those who want to contact and those who want to engage China feel the need to talk up China's importance and significance and power to drown out the arguments of the other side – or at the very least, talk in headline figures and don't consider the totality of the developmental experience within China. Those who see China as a threat – and not militarily – point to China's growing GDP, trade, and in particular trade surplus with the USA and massive foreign currency reserves (more of this later) as evidence of why China should be contained. Those who see China as an opportunity point to similar data to prove just how important it is to engage China to reap the economic rewards for the US.

It is particularly notable that some of the most assertive texts warning of the implications of China's rise for the US are from the same publisher. Gertz's (2002) *The China Threat: How the People's Republic Targets America*, Timperlake's (1999) *Red Dragon Rising: Communist China's Military Threat to America*, and Babbin and Timperlake's *Showdown: Why China Wants War with the United States* are all published by Regnery. Regnery also published Triplett's (2004) *Rogue State*, which

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<sup>5</sup> Though Kagan (2006) suggests that the US is not as powerful as many make out. He argues that 'the idea that we can manage China's rise is comforting because it gives us a sense of control and mastery, and of paternalistic superiority'. The lesson of history is this will not be possible, and 'we need to understand that the nature of China's rise will be determined largely by the Chinese and not by us'.

argues that ‘Communist China, far from being a restraining force on North Korea, is actually the power behind the regime—how North Korea is, in fact, China’s knife wielded against the United States’.<sup>6</sup> Regnery also published *Year of the Rat* (Triplett and Timperlake 2000) *Betrayal* (Gertz 1999), which both accused Clinton of selling out US national interests to China. And Regnery do not hide the fact that their books are aimed at what they call ‘conservative readers’ and that they ‘take pride in exposing the liberal bias that so often pervades the ‘mainstream’ media’.<sup>7</sup>

Whilst debating what China is (or might become) is perhaps most important in the US, it is far from just a Washington phenomenon. In collecting evidence for the aforementioned UK parliamentary report, a number of key UK based companies constructed a picture of what China might become economically. Without being explicit, the message to government seemed to be that China is too big and good an opportunity to miss, but this opportunity can only be tapped with significant government support. Furthermore, it is a competitive business environment, and if one government doesn’t help its companies, then it will lose out to companies in other countries who are getting support from their governments. Such help includes formal technical aid – for example, export credit guarantees – but also ‘soft’ political support. For some critics, this soft support entails accepting Chinese agendas when it comes to formal political dialogue, and the relegation of political objectives as secondary to economic goals.

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<sup>6</sup> This is taken from the publisher’s webpage, [www.regnery.com/regnery/040127\\_rogue.html](http://www.regnery.com/regnery/040127_rogue.html)  
<sup>7</sup> This is taken from the publisher’s webpage, [www.regnery.com/about.html](http://www.regnery.com/about.html)

## Different Theoretical Approaches

### **The Failure to Disaggregate the National**

Perspectives of China also differ depending on which theoretical positions are deployed. For example, some analytical approaches are simply have no interest in the differential impact of transformation within China, and instead focus on the aggregate picture. For example, some economic approaches – particularly but not only those that are related to the policy domain - tend to work on national level perspectives that aggregate the economy into a single unit of analysis. The difference between these approaches and those of scholars who consider the domestic dimension in China can be summed up by thinking of the questions that their research starts from. For example, the former would ask, ‘is the WTO good for China?’ while the latter would instead ask ‘who in China will the WTO be good for, and who might it harm?’.

Focusing the investigation on the aggregate ignores political reality of disaggregated and segregated reality. To be sure it is easier to consider the nation as a single unit of analysis, but political life is not neat and simple, but messy and complex. We have already noted above the definition of politics as ‘the art and science of government’, but we should remember Harold Lasswell’s (1936) alternative definition of politics as the study of ‘who gets what, when and how’.

Whilst the above points to ontological failings (or omissions) of some economic approaches, there are similar failings and or omissions within some IR approaches. It is not surprising that ‘politics’ and ‘IR’ are typically grouped together as a single discipline. The two are usually taught alongside each other in individual academic departments or schools – many of which happily carry the title of ‘Politics and IR’. But in part at least, different visions of China emerge from the tendency for

the two to be isolated as separate and distinct fields of enquiry and the fact that some IR at least has become ‘depoliticised’

For many in the realist tradition, there is an assumed ‘national interest’ pursued by state actors (and state actors alone) that is unaltered by either the changing ideological preferences of state elites or shifting societal interests and alliances. This is something of a blunt characterisation and generalisation of the broad school that we refer to as realism. There are realist writers who do consider domestic ‘unit level’ factors, and how they condition state actors in framing foreign policy (most notably neoclassical realists.<sup>8</sup> But for many realists, where national interests come from is irrelevant – the job of an IR scholar is to study the resulting interplay of politics *between* states, leaving the study of politics *within* states for others to consider. The diversity and complexity of different opinions, aspirations and interests is often ignored or considered irrelevant, and the language of IR focuses on a single unit of analysis - ‘China thinks’, ‘China says’, and ‘China wants’.

It is not just realist scholars that tend to treat China as a single actor or entity in IR. Those who write from a liberal tradition should be aware of the need to disaggregate the state and consider on whose behalf state actors are undertaking IR. They should also be aware of the need to move beyond the state as an actor in IR, considering the role of a range of non state actors – but most clearly economic actors. Yet although there is a strong liberal tradition in writings on Chinese IR, the liberalism often only extends to the process and objectives of engaging China – the way in which engaging China can bring it into the international system and socialise it into the dominant western liberal global order. It is also sometimes extended to an understanding of who is engaging China but moving beyond a simply statist

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<sup>8</sup> Gideon Rose’s (1998) review of Zakaria (1998), Wohlforth (1993), Schweller (1998), Christensen (1996) and Brown, M., Lynn-Jones, S. and Miller (1995) provides a good overview of how neoclassical realism differs from traditional and neo realism.

understanding (though typically based on an understanding that it is still governments who are the main actors and facilitate engagement). But much of this liberal literature in some ways stops being liberal when it gets to the Chinese side of the equation, still treating the Chinese state as a single straightforward unit of analysis and of Chinese state actors as *the* actors in IR. The concept of China as the unit of investigation is not always questioned, and the question of which groups and interests Chinese state actors are representing is rarely asked. Once again, the failing here is the aggregation of ‘China’ into a single focus of analysis that is the problem for me

### **IR analyses of Transnational Economic Networks**

Many realists are also largely unconcerned about economics viewing it as a separate sphere of enquiry to be left to economists to study. However, there are two exceptions to this general rule. First, international economic relations are considered to be important when they embody or reflect power politics between states in a game of mercantilist competition – a subset of politics that can be dealt with by state-to-state diplomatic relations with little attention paid to the role of non-state actors. Second, economic factors are important in establishing conceptions of national power that move beyond traditional security issues – something akin to the Chinese conception of comprehensive national power (总合国力 *zonghe guoli*) (more of this later). Here the language of IR that focuses on the state as actor is echoed in political analyses of actors in international economic relations, which in turn feed into understandings of China’s rising economic power – ‘China dominates in the production of’, ‘China leads the way in exports of’, ‘China is the leading producer of’, and so on (Hale and

Hale 2003).<sup>9</sup> Here international economic relations are typically viewed in terms of interactions between nation states (or equivalents<sup>1</sup>). As with those economic approaches noted above, the domestic economy is aggregated into a single unit - 'China'.

Not only does this approach fail to disaggregate 'China' itself – geographically, sectorally, and in all the ways already mentioned above – it also makes a fundamental error. It tends to treat international economic relations as exactly that – inter national (between nations) – whereas the reality of trade and investment patterns does not conform to conceptions of two states (or even more states) doing things to each other when it comes to trade and investment. This conceptual error is compounded by the evidential context used to support such inter national approaches - and then people look at these misleading statistics and develop misled conclusions about 'Chinese power' in the production of these goods. Trade and investment figures are bilateral in nature, displaying an interaction that at best is only a snapshot of what is happening at one small part of a much longer chain of interactions. Moreover, the penultimate territory in which production takes place is typically considered to be the exporter and credited with the resulting trade surplus with the final territory (the market). Notwithstanding regulations on rules of origin in calculating trade figures, it is still the case that 100 per cent of the value of an import to the USA can be credited to China, even if the majority of that value was originally imported to China from other territories.

It is notable that 1998 was the first year that the value of exports from Foreign Invested Enterprises (FIEs) in China actually surpassed the value of their imports

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<sup>9</sup> It's a bit unfair to cite Hale and Hale as an example here as they acknowledge that China's 'leading' position is largely a result of foreign investment. But this piece remains a good example – partly because it largely considers China as a single unit of analysis, and also partly because articles in *Foreign Affairs* are read by a wider audience than articles in purely academic journals.

(though this is a rough indicator as it includes all imports, not just those used to produce exports). Since then, imports as a percentage of exports found a level of sorts between 85 and 90 per cent. For example, in 2005, the value of FIE imports was 87.2 per cent of the value of exports accounting for 58.5 per cent of total Chinese trade – and notably, both FIE imports and exports increased faster than the growth of ‘domestic’ imports and exports.<sup>10</sup> Imported components remain particularly important in hi-tech industries (particularly computer related manufacturing), which are the fastest growing export sectors and those that ‘China’ is increasingly identified as ‘leading the way’ in (17 of China’s top 20 FIE exporters are in electronic related manufacturing). Although more of the supply chain is being located within China, the overwhelming majority of foreign producers in China continue to source their hi-tech components in other territories – primarily from South East Asia, Taiwan and Japan but also from the US. In addition, Lemoine and Unal-Kesenci (2004) note that the increased use of local content in FIEs is largely explained by FIEs sourcing from other FIEs in China rather than from domestically owned companies. They are trading more with each other than they are with the domestic economy.

One of the key implications of this understanding is that the Chinese trade surplus with the US (notoriously hard to find an agreed figure on) is in many respects a trade surplus with the rest of Asia that supplies production in China. It is also in many ways a hidden trade deficit with the US itself – or more correctly, non-state economic actors in the US are creating much of the trade deficit with China by increasingly producing outside of the US and then exporting these goods back into the US market. The political rhetoric may be framed in terms of bilateral relations and absolute gains, but the economic reality is messy, complicated and not state-bound.

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<sup>10</sup> From the Ministry of Commerce data sets on investment in China available at <http://www.fdi.gov.cn> – these statistics accessed on 3<sup>rd</sup> February 2006

## **Transnational Economic Networks and Conceptions of National Power**

Laswell's distributive definition of politics as the study of why gets what and why draws our attention to understandings of who has the power to decide who gets things. This is reflected in Susan Strange's interest in who or what has structural power over global finance and production<sup>11</sup>, and Engel's (1970) somewhat earlier emphasis on the power to decide "what is produced, how its produced and how the goods are exchanged". And combining these three approaches helps us rethink whether dominant visions of China's economic power actually reflect who really has the ability to control distribution, production and finance in the contemporary global political economy. The Chinese economy is important and significant. But does significance and importance necessary equate to power?

China as a whole is clearly benefiting from its position in the global economy – but not as much as appears at first sight to the casual observer looking at the disaggregated figures, and certainly not as much as those who point to the inevitable China challenge to world order often suggest. Others two have benefited significantly from what has happened in China. For example, consumers in the west are now paying less in actual pounds, dollars and euros (let alone real terms) for goods than they were 5 or even 10 years ago. And some of the main beneficiaries of economic growth in China have been the companies that have closed their old factories in the expensive developed world and moved their production to China (and elsewhere) – even if this has resulted in job losses in the west that are often blamed on this thing called 'China'.

Of course, it's entirely understandable that IR scholars focus on relations between nations. But if we want to keep nations as the unit of analysis, then we need

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<sup>11</sup> For example, Strange (1996).

to be much more nuanced and consider how postfordist production process result in a highly fragmented process spanning many different countries. Is it China that is leading the way, for example, in the production of TVs and computers or even training shoes, or is china still largely the conduit through which money and technology from other countries is processed? That much more of this investment has its origins in the US that the bilateral investment figures can show is an entire study in itself - and forms part of Breslin (2007). Is China the generator of global growth, or the conduit through which other interests outside China maintain dominant positions on global trade and investment hierarchies? Perhaps after all, the search for the location of power in nations is misplaced, and we should instead be considering key global actors such as Walmart and Nike in our search for the location of global power.

### **Conclusions – Constructing Visions of China, Domestic Politics, and**

#### **International Relations**

Does it matter that China is often misconceived? A realist theorist might respond to the arguments in this paper by arguing that what happens in the domestic sphere has no or little (depending on their variety of realism) influence in terms of changing China's foreign policy. As such, they are quite happy to leave the study of domestic politics and development issues to country specialists whilst they concentrate on the functioning of Chinese IR.

But actually, whilst this paper is critical of realism, it isn't really about Chinese IR at all. Rather, if it is about IR and foreign policy, it is about policy *towards* China, not *from* China. Leaving aside the popular (mis)conceptions based on inadequate evidence, this paper concludes that misunderstandings or unrealistic appreciations of China are partly deliberately constructed by interested parties in an

attempt to influence policy. In other cases, understandings that are based on what I conceive to be misguided or erroneous epistemologies and approaches that aggregate China into a single unit for analysis and focus on economic relations between nation states are *utilised* to support specific policy positions (if not deliberately constructed to serve them).

China is clearly important and very significant, but at least some of the exaggerated understandings of china as inevitable superpower soon and engine of the global economy now are mistaken because of the way that observers conceive of IR in general, and international economic relations in particular. This paper suggests that we need to repoliticise perceptions of China's potential futures in two key ways.

First, let's re-embed the study of china's global role in the domestic and acknowledge that those understandings that ignore the domestic (or assume a continued stable political position with the only challenge a democratic one) fail to understand how the social problems identified by Chinese scholars and the current Chinese leadership create significant constraints on global ambitions and global potentials. In addition, let's not simply assume that China will follow expected developmental trajectories irrespective of political action by the government and other actors within China.

Second, let's move away from inter national understandings of transnational or globalised commercial relations. And let's also not simplify our understandings of what this means about the location of power in the global political economy. It is indeed true that tens of thousands of textile workers in the US have lost their jobs as production has moved to China, but we need to think who benefits from this (who gets what in Lasswell's terms) and who actually transferred this production in the first place.

The example of US textile workers is not chosen randomly. It was an used by Lindsey Graham, Republican Senator for South Carolina in calling for restrictions on textile imports from China in 2003 (Barboza 2003). The annual theatre of the Most Favoured Natopm vote may have gone, but China remains an important part of political discourses in the US. As noted earlier in this paper, policy towards China was an important part of the early days of the Presidential election campaign in the US in 2003 and 2004. Although, other foreign policy issues ultimately became much more important, relations and particularly economic relations with China did form part of the Democratic campaigns criticisms of George W Bush in late 2003 and 2004. For example, in June 2004, John Kerry responded to a US-China Economic and Security Review Commission Report by criticising the Bush administration for not standing up to Chinese violations of international law – particularly in relation to currency manipulation:

America has lost millions of manufacturing jobs. Just yesterday, we learned that the trade deficit hit a new record. As the trade deficit with China has ballooned, President Bush has stood on the sidelines. He has failed to do anything to effectively address China's predatory currency manipulation, its violation of intellectual property rights and other unfair trade practices that violate its international obligations.<sup>12</sup>

As Alden and Harding (2004) argue citing the pro-free trade Chris Nelson, ‘the issues of job loss and outsourcing have a resonance now that they haven't had before. And the Democrats have linked China in the minds of voters to those things’.

Whether anything would really have changed in a Kerry administration is something that we will never know. George Bush was not the first president to be

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<sup>12</sup> Kerry Statement on the U.S.-China Economic and Security Review Commission's Report [http://www.johnkerry.com/pressroom/releases/pr\\_2004\\_0615b.html](http://www.johnkerry.com/pressroom/releases/pr_2004_0615b.html)

criticised by opponents over China policy. The Clinton administration was similarly castigated by Republicans for being soft on China and ignoring US economic interests, not least when Bush himself was campaigning for the Presidency. But with an election campaign already in progress, with Nancy Pelosi (who has a track record of opposing China's human rights regime) assuming the role of speaker, and with presidential elections in Taiwan and the US coinciding with the year of the Beijing Olympics, it is likely that visions and misconceptions of China are likely to remain near to the top of the political agenda in Washington through 2008 (and probably well beyond).

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