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European Fears – and Hopes – for a Risen China

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Geldmacht China : wie der Aufstieg des Yuan Euro und Dollar schwächt / Frank Sieren. - München : Hanser, 2013. - 286 p. - ISBN 978-3-446-43487-5

China ¿Dragón o parásito? / Julián Pavón. - Barcelona : Plataforma Editorial, 2012. – 171 p. - ISBN 978-84-15577-14-0 ; 978-84-15577-73-7 (ebk)

A*ussenpolitik und Aussenwirtschaft der Volksrepublik China* / Dirk Schmidt, Sebastian Heilmann. - Wiesbaden : Springer VS, c2012. - 201 p. - ISBN 978-3-531-17447-1 ; 978-3-531-93378-8 (ebk)

Tra poco la Cina: gli equilibri del mondo prossimo venturo / Davide Cucino. - Torino : Bollati Boringhieri, 2012. - 157 p. - ISBN 978-88-339-2342-0

Que veut la Chine ?: de Mao au capitalisme / François Godement. - Paris : Jacob, c2012. - 283 p. - ISBN 978-2-7381-2861-4

Restless empire : China and the world since 1750 / Odd Arne Westad. - New York : Basic Books, c2012. - ix, 515 p.- ISBN 978-0-465-01933-5 ; 978-0-465-02936-5 (ebk)

How does Europe view a risen China and its growing global presence? Is the Middle Kingdom a boon or a threat to the Old Continent? These are some of the crucial questions facing EU policymakers and the general public. According to a recent report put out by the Paris-based European Union Institute for Security Studies,[1] China seems to be the EU's most ominous economic and trade challenge, as a result of the emergence of a discourse in recent times based on the perception that China is invading European markets with cheap products and eliminating jobs in the manufacturing sector. At the same time, the Chinese market represents a formidable opportunity for many export-oriented European companies, allowing them to offset the decline in consumer spending across Europe.

The same dichotomy of perceptions exists at the political level. According to the EUISS study, China continues to be viewed with suspicion because of the non-democratic nature of its regime, raising questions as to what use China's new leaders will make of their country's increased capabilities. Yet, it is precisely this authoritarian Communist China, informed by values and principles quite different from those of the EU and its member states, that has come to support the

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[1]N. Casarini, ed., *Brussels-Beijing: Changing the Game?,* EUISS Report n. 14, Paris, EUISS, February 2013.

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EU's integration process – including key initiatives such as the common European currency. In addition, a growing amount of Chinese FDI is flowing into Europe, contributing to furthering a favourable image of the country. Thus, policymakers in Brussels and national capitals seem to have a mixed image of China: on the one hand, a rising power challenging the Old Continent's standards of living; on the other, an enormous opportunity for EU global aspirations.

Is this dichotomy of perceptions shared by European cultural elites and public opinion? And are there any differences between EU member states as to the way they view China? To answer these questions, six books on China have been selected for review. Written by well known scholars and commentators, they have been published in France, Germany, Italy, Spain and the United Kingdom in 2012 and 2013. The aim is to provide the reader with a better understanding of the similarities, and differences, in views of China in the five countries mentioned, including whether the authors perceive a risen China as more of a boon or a threat for their respective nations.

The gloomiest picture is provided by Frank Sieren, a popular journalist and commentator in Germany, well known for his critical positions vis-à-vis the Middle Kingdom. In his latest book, *Geldmacht China – Wie der Aufstieg des Yuan Euro und Dollar schwächt*, Sieren focuses on China's economic and monetary might and the implications that it will have for Western societies. The book builds on his previous work, *Angst vor China: Wie die neue Weltmacht unsere Krise nutzt*, published in 2011. The two books should be read together to get the sense of the growing negative perceptions of China that have emerged in some sectors of German society. In *Geldmacht China*, the author makes the case that the Chinese economy has already overtaken the eurozone's and will surpass the US' by 2016. In the process, the Chinese currency – the yuan – is likely to challenge the euro and the dollar, thus confirming China's pre-eminence. As Sieren maintains, this should be a wake-up call for Germans – and other Europeans – to devote more attention to these dynamics, arguing that it should not be the fate of the Greek economy that keeps EU policymakers awake at night, but rather China's monetary initiatives. Interestingly, these negative comments come from a country, Germany, whose export-oriented sector has greatly benefited from China's economic rise. Notwithstanding the broad array of economic data provided, the book fails to convince the reader not only that China will continue its ascendancy unabated – and this is disputed by many China experts today –, but also that the yuan will be made fully convertible in the near future. The latter, in fact, requires bold financial reforms that cannot be implemented without touching powerful vested interests, including the Party's role in the economy. Thus, it remains to be seen whether China's economic rise can be fully translated into the monetary realm. However, the book has the merit of shedding light on some dynamics largely absent in the public debate. *Geldmacht China* reads easily and is very informative. Yet, the author often appears overly pessimistic about the future of the West. Since the book is written for a general readership, it offers a glimpse into the growing fears of a risen China that seem to pervade large swathes of German public opinion.

A similar gloomy picture forms the backdrop to the book by Julián Pavón, Director of the Centre of Postgraduate Studies in Business Administration (CEPADE) and the Industrial Business School (IEN) of the Technical University of Madrid. In his book, *China Dragón o parásito? – ¿Quién se ha llevado mi empleo?* Pavón describes the challenge that China presents to a European continent in relative decline, where the austerity measures implemented by some eurozone governments are leading national elites to view China increasingly as a useful illustration of the downsides of the globalisation process. Pavón's argument draws from his earlier video of 2011 on "El Modelo Parasitario Chino", which became very popular in Spain, viewed by almost three million people. In *China Dragón o parásito?* The author examines China's economic rise and its thirst for natural resources, the growing number of jobs in the manufacturing sectors that have been outsourced to China in the last decades, and the challenge that these dynamics pose to Europe and especially Spain and the other peripheral members of the eurozone, in a context characterised by austerity measures and the danger of 'structural stagflation'.

The book makes an interesting parallel between Chinese traditional studies on 'the art of war' and contemporary trade practices. This leads the reader to become gradually more and more anxious about China's economic might and the rather negative destiny awaiting the West, in particular the peripheral countries of the eurozone, hit by declining competitiveness and rising unemployment. Overall, the book contains much data and useful insight for understanding the connections between the rise of China and Europe's decline. Yet, Pavon's argument – like Sieren's before – too often espouses the 'China threat' discourse, largely overlooking the opportunities that China also presents for a West in (relative) decline.

More balanced in the analysis and more optimistic in tone is another German volume published in 2012: *Aussenpolitik und Aussenwirtschaft der Volksrepublik China* by Dirk Schmidt and Sebastian Heilmann. Both at the University of Trier – the former is Senior Lecturer and the latter is Professor of Political Science and Head of the Research Group on the Political Economy of China – the authors tackle the question of China's rise and its relations with the European Union head-on. The book is written mainly for an academic audience. It clearly explains the evolution of China's foreign policy in the last fifty years. The focus is on the interaction between political and economic factors, including discussions of Chinese trade and environmental policies. There is an informative chapter devoted to China's relations with the EU and Sino-German relations that will undoubtedly be read with attention by those interested in the complex EU–Germany–China triangular relationship. Very well researched, the book is easy to read and contains a useful reference section (including sources) at the end. Not surprisingly, it is adopted as a textbook in various German universities. Overall, *Aussenpolitik und Aussenwirtschaft der Volksrepublik China* makes a valuable contribution to the field of Chinese foreign policy studies; the sober assessment of China's ascendancy contained in it is also a welcome counterbalance to the more apprehensive views of the Middle Kingdom increasingly found in the German popular press.

A similarly balanced examination of China's global role can be found in the book by Davide Cucino, a well known Italian sinologist. In addition to his academic credentials, Cucino has worked for – and advised – various multinational companies operating in China. He is currently President of the European Union Chamber of Commerce in Beijing. His book, *Tra poco la Cina: gli equilibri del mondo prossimo ventuoro*, critically assesses the sweeping changes that have occurred in China since the beginning of the reform period, with particular attention to the country's foreign relations.

In the first part, he examines China's growing presence in both the developing and emerging markets of Asia, Africa and Latin America as well as in the advanced nations of the West using the categories of soft power, hard power and subtle power to appraise China's global strategy. The second part concentrates on Chinese foreign and security policy in Asia, including the question of Beijing's military modernisation and its implications for a regional order still based on the US system of alliances. Cucino's book maintains that China seems to have succeeded in developing a multifaceted foreign and security policy approach that combines various elements of power. This allows Beijing to be a very sought-after investor in many developing and advanced nations, while being increasingly perceived as an ominous military challenge by its smaller and weaker neighbours. The book is well researched and quite neutral vis-à-vis the question of China's upsurge: while recognising the challenge that a more powerful China poses to the world, Cucino acknowledges the great opportunities of a risen China and underlines the need for the West to engage with Beijing across the board. *Tra poco la Cina* deserves to be widely read, though the fact that it is written in Italian is likely to limit its circulation.

Finally, two towering works were published in France and the United Kingdom in 2012. The first is by François Godement, Professor of political science at Sciences Po and Director for strategy of the Asia Centre in Paris, as well as Senior policy fellow of the European Council on Foreign Relations. Godement may well be France's most influential China expert and one of Europe's most authoritative voices on Chinese affairs. In *Que veut la Chine? De Mao au capitalisme*, Godement examines the key issues and challenges facing the Middle Kingdom in the years ahead focusing on the question of political and economic reforms. For instance, the book explains how the universal spread of social media – with even striking workers and local activists now making regular of use it – is changing both public opinion and the terms in which politics is conducted inside China. This, as Godement maintains, has led to a process of asymmetric political liberalisation over the past two decades, with nationalist activists being tolerated while democracy activists are still repressed. In the economic realm, while the country's GDP continue to grow above 7 percent a year, there seems to be a widespread realisation that the success of the current system may be reaching its limits. China's domestic problems are mirrored in its foreign policy which, according to Godement, has become a minefield since late 2009 due to a series of declarations by some PLA generals and other representatives of various defence agencies vis-à-vis neighbours in the South China Sea, to which the US responded by developing the so-called pivot – or 'rebalancing' – towards the region. For the author of *Que veut la Chine?,* two factors still limit the escalation in violence in the area: (i) China's use of hard military power is extremely limited (when compared to the US); and (ii) China's foreign policy is able to preserve a status of moderation and reform, of which policies towards the European Union and global financial organisations are key examples.

After reading Godement's book, the reader has the sensation of knowing more about the complex and seemingly contradictory issues that characterise this distant but increasingly important country. While sober and accurate in his analysis, the reader cannot escape the impression that Godement is joining the growing ranks of China experts increasingly disillusioned by the pace of reform in China and the prospects for democratisation and liberalisation. The book is a must-read for scholars, students and those with a serious interest in contemporary China. It is likely that *Que veut la Chine?* will influence public debate in France – and to a certain extent in Europe – on how to develop relations with China.

If Godement's book definitively stands out in the French-speaking world, across the Channel a monumental work was published in 2012: *Restless empire: China and the world since 1750* by Odd Arne Westad. The author is Professor of International History at the London School of Economics and Co-director of LSE-IDEAS. Westad is one of the world's foremost experts on the Cold War and contemporary East Asian history. In the book, he traces China's course from the 18th century Qing Dynasty to today's People's Republic, showing how Beijing's worldview has evolved over the last two and a half centuries. He argues that Chinese attitudes have been determined by both receptiveness and resistance to outside influence, offering numerous examples of the preoccupations that have beset its foreign relations agenda. Westad is at ease with both Chinese domestic politics and foreign relations: he examines how China has succeeded in eradicating poverty from among its population and in establishing itself as one of the world's top technological powerhouses. He also looks at the linkages between China's increased military capabilities and the East Asian balance of power still dominated by the US system of alliances. In the last part of the book, Westad discusses the emergence of a new form of Chinese nationalism which, if not properly managed, could damage relations with neighbours and undermine the economic successes achieved in the past decades. According to the author of *Restless empire*, Chinese nationalism is not something new; yet, if the growing number of Chinese people angry about perceived past injustices and fear of a loss of identity to commercial forces and foreign influences join forces with the more hawkish sectors of the military, there could be some unpredictable outcomes. On the whole, the book is very well written and extremely well researched. The reader will find much useful data and historical information, as well as insightful and perceptive analyses of some of the most pressing issues of the day. To list just a few of them: will China's fascination with global society dwindle or will it continue to engage? Will Beijing attempt to recreate a Sino-centric international order in East Asia or will it pursue a more harmonious diplomatic route? And can the Communist Party overcome its lack of democracy and transparency or are these characteristics hard-wired into the Chinese political system? Westad does not provide definitive answers to these questions, arguing that the Chinese have demonstrated, time and again, to be able to adapt and implement reforms when circumstances change. This leaves room for optimism regarding the future of Chinese domestic politics and foreign affairs.

As in the case of Godement's book, Westad's is also a must-read for anyone wanting to acquire a better understanding of the country. Both volumes should also be required reading in Brussels in that Godement's perceptive insights and Westad's historical breadth can provide EU policymakers with the necessary analytical tools – and distance from current affairs – to form a more nuanced judgement of the country that may well exert a kind of influence on Europe in the 21st century like the one the United States exerted in the 20th century.

Overall, the six books reviewed confirm the mixed image of China prevalent across Europe: China as a great opportunity but also as an ominous challenge. They also contribute to the foreign policy debate: good and critical scholarship can effectively help EU policymakers improve policies vis-à-vis the Middle Kingdom. There is of course the necessity to remain critical to Chinese authoritarianism, its unfair trade practices and growing assertiveness; but there is also an increasing need to think harder about the positive role that China can play in Europe's future development, including Chinese support for an earlier exit of the eurozone from the current crisis.

To sum up, we need to know more about China, but in a way which is as devoid as possible of ideological and preconceived assumptions. As the great German quantum physicist Werner Heisenberg discovered, the intention of the observer has the ability to affect the quality of the matter observed. It follows, therefore, that if we concentrate too much on negative aspects, we do so at our own risk, since negative predictions can turn out to be self-fulfilling prophecies.