Peaceful rise and the limits of Chinese exceptionalism

Ascensão pacífica e os limites do excepcionalismo chinês

Introduction

China will not follow the path of Germany leading up to World War I or those of Germany and Japan leading up to World War II, when these countries violently plundered resources and pursued hegemony. Neither will China follow the path of great powers vying for global domination during the Cold War. Instead, China will transcend ideological differences to strive for peace, development, and cooperation with all countries of the world.¹

It is trite to mention that the rise of China has changed the world we live in. Indeed, by opening to the world China has also embarked on a process of domestic transformation. One of the main characteristics of this dual development has been to stress the inherently peaceful and cooperative nature of the huge undertaking of lifting one-fifth of mankind out of poverty. The concern with this emphasis was so great that even the initial label “Peaceful Rise” was considered to be too assertive and, thereby, changed to “Peaceful Development.” Beijing, by making the claim that unlike previous great powers China will be different, has reinforced a deeply-rooted historical perception of being exceptional.

Notwithstanding, after a cycle of thirty years of growth China is currently at a crossroads, since it is no longer feasible to keep a low-profile foreign policy whilst being the second economy in the world with global interests and the second biggest military expenditure. Therefore, this article has four building-blocks in order to try to understand what are the factors constraining Beijing’s response to this new reality. Firstly, there is the need to understand the multilevel factors of the current strategic crossroad, and then to analyse the roots of Chinese exceptionalism and their impact on foreign policy. Thirdly, we will be looking into the US

involvement with the Asia-Pacific and the strategic rebalancing proclaimed by the Obama Administration, as well as Chinese perceptions to how China should react. Lastly, we will analyse the main domestic challenges that are particularly difficult to tackle with since they are by-products or outcomes of China’s economic growth, and especially of the decision to grow at all costs. Therefore, we will be better equipped to understand the possibilities of China maintaining its exceptionalism and pursuing its peaceful rise.

Chinese exceptionalism and “China 3.0”

In this case, because of the mounting opposition it is evoking, China’s continued and rapid growth in economic capacity and military strength and regional and global influence cannot simply persist. If Chinese ignore the warning signs and forge ahead, the paradoxical logic will ensure instead of accumulating more power, they will remain with less as resistance mounts.

The reforms initiated by Deng Xiaoping have led China into a prosperous cycle that has had far-reaching consequences. Deng realised that he needed to carry out two main set of reforms in order for the Communist Party of China (CCP) and the People’s Republic of China to survive. Firstly, there was the need to prevent the recurrence of another larger-than-life figure such as Mao Zedong and, therefore, through gradual reforms Deng and his team were able to consolidate the rule of the Party over individual leaders. The second set of reforms touched upon the economy and the need for it to deliver to the Chinese population. This also had the goal of enabling the CCP to reinforce its legitimacy as the sole provider of order and prosperity, being the latter much appreciated by Chinese society, after a disastrous century of invasions, civil war and mass scale social engineering. When Deng died, in 1997, his China was very different and on a modernising path. In order for Beijing to focus on economic growth, Deng followed a low-profile approach in terms of foreign policy. This is to say that China would avoid conflicts and tensions that could divert resources from domestic growth, being the exception issues concerning sovereignty, such as the Taiwan Strait Crisis in 1995–1996 around the presidential election of Lee Teng-hui. This election was a double first since Lee was the first President not to be born in the Continent—as the elite of the Guomindang and Chiang Kai-shek and Chiang Ching-kuo were—and was the first by universal and direct suffrage.

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The low-profile approach reaped its benefits and, nowadays, China is a vital country in the world. At the same time, Beijing is now a victim of its accomplishments and is caught in a “Success Trap.” This trap has many levels but it is in the foreign policy dimension that it becomes more manifest. A brief analysis of traditional elements of power will tell us that China besides the fact that it has the world’s biggest population—in practical terms it means that one out of every five people in the world is Chinese—and the fourth largest territory, is also the second biggest economy in the world and military budget, a huge consumer of natural resources, in particular natural gas and oil. In addition, it is a permanent member of the Security Council of the United Nations Organization and an official nuclear power. It is, of course, the economic dimension that is overwhelming since it also entails being the biggest exporter, second greatest receiver of Foreign Direct Investment, largest foreign currency reserves and the biggest creditor. This wealth has enabled Beijing to invest and modernise its military as can be seen by its budget. Although a distant second in global terms—despite the cuts the US is paramount with US$ 682 billion—China has a rising budget of US$ 249 billion. Moreover, it is investing heavily in a space programme and a “blue-water navy.” The most obvious sign of the latter is the aircraft carrier Liaoning, although not yet “Made in China,” but an important signal that China wants to have a greater naval capacity. On top of all this China continues to be one a dictatorship, thereby, raising concerns about the possibility of succeeding in establishing a normative challenge: a non-democratic illiberal blueprint for the world.

What is more, Beijing is now extending its influence beyond borders and truly becoming a global player. It is essentially this new element of its foreign policy that makes it so hard to continue following the low-profile dictum of Deng Xiaoping. Not only has China reinforced its Diaspora and it now has many Chinese workers in, for instance, Africa but it is also the greatest trading partner of African countries. In Europe, Chinese presence is also felt and it the region where it is most visible the attempt to reconvert its economy. China is no longer “just” associated with being the “factory of the world” and exporting low-quality products based on low-income wages, but also with high-quality technology. The best example is the buy of Volvo by Zhejiang Geely Holding Group that fits like a glove into this new “face” of Chinese foreign policy. This situation is helped by the fact that many countries in Europe are experiencing budget difficulties, thereby making it easier for China to become a “powerful actor within Europe itself.”

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9 This paragraph draws heavily from the arguments presented by Godement, François and Jonas Parello-Plesner (2011). *Scramble for Europe*, London: European Council on Foreign Relations.
In this general picture of greater Chinese involvement in European affairs Portugal is no exception. China is no longer viewed solely through the lens of Macao; a territory that the Portuguese administered for centuries and that is, since 1999, a Special Administrative Region of China. In a parallel way, Beijing has invested heavily in companies that have a good technological input in the energy sector such as EDP, the national electricity provider, and REN, the company that manages the national electricity infrastructures. China Three Gorges controls 21% of EDP and China State Grid a quarter of REN. In addition, China has built a special relationship with the German colossus that can be ascertained by the fact that “nearly half of all EU exports to China come from Germany; nearly a quarter of EU imports from China go to Germany.”

The overall picture of Chinese growing influence in the world has been complemented by the perception that we are witnessing a truly generational shift in Beijing. Not only were Xi Jinping and Li Keqiang born after 1949, but this is the first generation that does not carry the legitimacy either directly in the case of Mao Zedong and Deng Xiaoping or indirectly in the case of Jiang Zemin and Hu Jintao (both were blessed by Deng), the legitimacy of the revolutionary founding moment and myth: the Long March. There are also other signs such as the fact that Xi has already assumed the three crucial power positions in China: secretary-general of the CCP, President of China and Chairman of the Central Military Commission. His predecessor, Hu Jintao, had to wait two years before Jiang Zemin relinquished his seat at the Military Commission that tells us who controls the Army within China. Furthermore, the rise of the “Fifth generation” has been accompanied by the reduction of five to seven members of the Standing Committee Politburo being that of those, five are new members. All of this has led to the conclusion that it has been the “largest transition over the last 30 years.”

We also have to had that it indicates the beginning of a new thirty years’ cycle, being that the first was carried out by Mao and the second by Deng. Moreover, China has been able to “consolidate land borders and beginning to turn outward.” In this sense, China is reasserting its historical central place as the Middle Kingdom, after a period of decay and absence mostly in the last two centuries. In order to understand the challenges of this “China 3.0” we have to look at the concept of Chinese exceptionalism. It is to this that we now turn.

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12 This is the main idea behind the survey China 3.0 being that China 1.0 was the Mao period from 1949–1978 and China 2.0 the reform period led by Deng from 1978–2008. See Leonard, Mark Ed. (2012), China: 3.0 What does the new China think? London: European Council on Foreign Relations.


Return of the Middle Kingdom to the Center\textsuperscript{15}

The Middle Kingdom has exerted a strong fascination in the West long admired for its splendorous civilisation.\textsuperscript{16} China had a tradition of being central, and this centrality was mainly characterised by the superiority of its civilisation. It is interesting to note that this perception of centrality evolved into a nationalist and then ideological direction throughout the 20\textsuperscript{th} century, but it has never ceased to exert its influence.\textsuperscript{17} This emphasis on culture and civilisation can be explained by the absence of any rival civilisation, any serious contender for a cultural challenge but also due to natural geographical barriers.\textsuperscript{18} Throughout history, mainly after 221 B.C., the Middle Kingdom reinforced the idea that it was not just superior in terms of civilisation, it was civilisation per se, and its foreign relations were an extension of this idea, in other words, “(…) international society was the extension of internal society.”\textsuperscript{19} The relations between the centre and the periphery were based on the cultural superiority of the former and also on a correlative concept of proximity, in which there was a connection between space and morality, in the sense that the closer a country was to the Chinese emperor the higher its moral conduct.\textsuperscript{20} In fact, this cultural superiority was embodied in the Chinese conception of civilisation, \textit{wen}, which also means Chinese writing, that it is the only language. Indeed, it is language itself as distinguished from mere varieties of speech.\textsuperscript{21} The strength of this cultural superiority was reinforced by the fact that foreign rule such as the Mongols (the Yuan dynasty between 1280 and 1368) and the Manchu (the Qing dynasty from 1644 to 1911) adopted Chinese civilisation. There were also the Jurchen, who became the Jin from 1115–1234 but never dominated China as a whole. This perception of assimilating what is foreign and adapting it to the Chinese way can also be seen in more modern times with Mao Zedong’s “sinicization” of Marxism-Leninism, which later become known as Marxism-Leninism-Mao Zedong Thought.\textsuperscript{22} Unlike Karl Marx and Friedrich

\textsuperscript{15} This section is based in the research conducted for my PhD thesis.


\textsuperscript{21} Ibidem, p. 55.

Engels, who considered peasants not revolutionary but conservative, Mao adopted Marxism into the realities of the Chinese population and made it the crucial key for success. Likewise, Deng Xiaoping had the need to introduce capitalism under the mantle of “socialism with Chinese characteristics.”

International relations of the Middle Kingdom can be characterised as based on the concept of inequality and this view of the international was based on a cultural superiority. This was a system based on bilateralism never multilateralism and reflecting Chinese superiority. It also showed that all foreign countries were considered equal and, therefore, benefited from an impartial treatment, at least in theory. There was also the perception that the tribute system was economically ruinous for China, since it paid more than it received. China did not feel “an aggressive mission either to civilise the rest of the world or to shoulder its burdens.” It was this civilisation that westerners met in the 19th century and which they sought to open. We tend to look at the 19th century and consider that the most important event was the confrontation between China and the West and that China was a giant with feet of clay, a static and dying empire, incapable of accepting change or accommodating herself to foreigners. There is a degree of truth in the fact that, despite all the examples of pragmatism and flexibility, it remains that the Chinese confronted the Europeans in the 19th century with all the “immemorial maxims.” When we look at China around the time of the Opium Wars, we tend see China’s response related to its size, inertia and adherence to its own standard of civilisation. China’s foreign policy was based upon her sense of superiority in warfare, her skill in civilising barbarians and the possession of precious trading goods that would bring the barbarians to accept the tributary system. But the barbarians, interested in the opium trade, had no desire to be civilised by the Chinese. They did not leave, and proposed an alternative system of international relations, in which its members were sovereign states on a level of equality, at least in theory.

This came to be accepted by the successor to the Middle Kingdom, the Republic of China. Nonetheless the Chinese situation vis-à-vis the foreign powers did not change much. To make things worse, the “new” Great Power, Japan, did not diminish its appetite for Chinese territory. In contrast, it increased, as we can see by the “Twenty-One Demands” that were presented to the Chinese government after Japan’s occupation of the German concession of Shandong. They were presented as an ultimatum with the threat of using force and included the recognition of Japan’s special position in Shandong, in Manchuria and Inner Mongolia, a joint-operation of iron and steel industries, the non-alienation of coastal areas to any third power, and more importantly, the control by Japan of important administrative positions within China’s domestic apparatus.

It is against this increasing loss of sovereign control over its own country that we have to appreciate the Chinese government’s approach to the peace treaty at Versailles. China was in Versailles due to the fact that it had entered the war in 1917 on the side of the Allies and was defending its sovereignty for the first time in a multilateral forum and it feared being represented by Japan. For China, and in accordance with the line pursued in its foreign policy, the Shandong question became the bone of contention and also a touchstone for the Wilsonian principles.\(^{30}\) China’s claim was one of the many victims of the Treaty of Versailles and the handover of the province that was the birth of Confucius to Japan led to the unique and unprecedented nationalist “May 4th Movement.” Albeit not with a nationwide scope, it was the first time that the Chinese voiced their displeasure at the imposed international arrangements.\(^{31}\) This was due to the perception that such action went against the spirit of the League of Nations and China was not seeking territorial expansion but rather restoration. China’s refusal to sign the peace treaty—the only delegation to do so—was an assertive moment regarding the rejection of the “(…) unjustified, and in the eyes of the Chinese unjustifiable, international order to be imposed upon it in spite of its protest.”\(^{32}\) It was the first active participation in managing its international relations as it was searching for its place and a role in international society. In 1919, there was the intention not of resisting imperialism and the humiliation of the unequal treaties but of rolling it back. This was done through an active rather than passive diplomatic activity based on the evocation of western principles such as national self-determination and territorial integrity. In this sense, China chose to resist the imposition of the standard of civilization and its unequal treaties both in imperial and republican times.

It is noteworthy that despite the complex bilateral relationship with Japan, China has benefited immensely from some of Tokyo’s pioneering efforts even if

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31 Idem, ibidem.
some of these measures were instrumental rather than cognitive.\textsuperscript{33} For instance, the victory of Japan over Russia in 1904–1905 proved that non-Westerns could actually defeat westerners in a war and it later galvanized nationalist movements. It was a mind-blowing historical event that helped the demise of the Czars in Russia. Moreover, Japan at Versailles insisted on the introduction of a racial equality clause amongst great powers, albeit not with a universal nature. The idea of racial equality, as we have seen, was sparked by Japan at Versailles and “the irony of it all was that the contender seemed to have done so without truly recognising the inherent importance of the challenge.”\textsuperscript{34}

It is against this background usually referred to as the “century of humiliation” in which China was divided amongst the great powers, that China anchors its goal of reverting to the Great Power group. China needs to reoccupy its rightful place and, at the same time, it goes to great lengths to emphasise that unlike Germany and Japan, its rise will be peaceful. In the words of Wang Yizhou: “This is not a traditional expansion comparable with the scramble for territory and supremacy of Germany and Japan during World War II. Instead, it is about progressing towards objectives in a reasonable and orderly manner, consistent with China’s interests as well as with the international norms under the framework of international co-ordination.”\textsuperscript{35} It remains to be seen how this can be achieved, even more now that there are evident signs of a spill-over to the political and military realms of China’s economic weight.\textsuperscript{36} For instance, all the activities and incidents in the South China Sea have worked against this assertion a benign and benevolent China. In this process China is facing the resistance of the “lonely superpower.”\textsuperscript{37}

\textbf{America’s Pacific Century}\textsuperscript{38}

Our new focus on this region reflects a fundamental truth—the United States has been, and always will be, a Pacific nation.\textsuperscript{39}


\textsuperscript{37} Samuel Huntington (1999). The Lonely Superpower. Foreign Affairs 78, no. 2 (March/April).


These words of President Obama show without a shadow of a doubt the US intent in rebalancing to the Asia-Pacific as a crucial strategic move within its Grand Strategy. This is to say that in order to maintain its hegemonic position Washington has realised that it needs to upgrade the Asia-Pacific within its strategic framework. This entails the compromise that the US global readjustment of its military facilities and personnel abroad will not come at the expense of this region, but also “prosperity of the Asia-Pacific.”40 This and has been mostly prompted by China’s rise and also by the multi-dimensional potential of this region, in particular its economic weight. It has also been enable by the end of the war in Iraq and the quasi-end of the intervention in Afghanistan. The reduction of US military involvement in these two territories has given the Armed Forces a breathing space. Even if the geographical borders of the Asia-Pacific region are not yet clearly defined, and therefore are still better defined as frontiers, nonetheless there is a US willingness to include India as a key-player, thereby enlarging this region to include two oceans, namely the Pacific and the Indian.41 The prevailing perception in Washington is to see India as a counterweight to Chinese influence in the region as can be observed, for instance, in the case of Burma.42 Taking into account the complex, to put it mildly, bilateral relationship between these two democratic giants, the US and India, it remains to be seen if the latter can actually fulfil these expectations and deliver a coherent and reliable “Look East” foreign policy in order to check the Chinese incursions into the Indian sphere of influence.43

From the mostly military and security tone of the “pivot” to the more economic emphasis of the “rebalancing” we are now witnessing two important goals: to make the Trans-Pacific Partnership (TPP) a dream come true and to readjust the rebalancing within the Pacific.44 The latter can be seen in the greater emphasis given to the Southeast Asia and in the multilevel initiatives that have been developed by the US. A manifest example is the Lower Mekong Initiative that encompasses a greater cooperation with countries such as Vietnam and the touching on areas such as health, education and environment. Also of great importance has been the revitalisation of the relationship with the Philippines, Singapore and Indonesia and the stationing of Marines in Darwin, Australia.

The “Forward-deployed diplomacy” entails the shift of the weight of American diplomatic machinery and soft power. The latter is evident for instance in the use of the military as tool of humanitarian assistance.

The relationship between the US and the Pacific has been intense, if not always peaceful. From a strategic point of view, the discussion concerning the role of the Pacific islands in the territorial expansion of the US was prompted by the Hawaii archipelago. In fact, already in 1842 President Tyler had incorporated these inlands into the Monroe Doctrine, but the real debate only came at the end of the 19th century and was associated with the war against Spain in 1898. Throughout these years the US was able to consolidate its continental expansion, either through purchase, agreement or conquest, and then after the first industrial war: the American Civil War. The war with Spain was for the US a golden opportunity to acquire territories that, for the first time, would be annexed without the immediate goal of being incorporated into the Union and, therefore, under the umbrella of the Constitution. In other words, the debate between those that considered that the US was different and therefore should not become an imperial power, and those that believed that Manifest Destiny extended to the “Far-West” was won by the latter. Spain was utterly defeated and the US annexed, amongst other territories, Guam and the Philippines. Like in Cuba, the Philippines put up resistance but to no avail. Meanwhile Hawaii was also annexed and become an important logistical hub.

The relationship with the Asia-Pacific grew more powerful particularly towards China. At this point there was the hope that China could become the anchor of US interests in this region and there was also enormous interest in the “China market.” This perception of China only changed in 1949 with the victory of Mao Zedong in the Civil War. This contrasted with Japan, a country viewed with mixed feelings: on the one hand, there was admiration for the fact that Japan had become a great power in such short-span of time, and on the other there was the fear and discrimination towards “Asians.” This, of course, changed dramatically with the rise of Japan as a revisionist power and Pearl Harbor. The unconditional surrender of the Rising Sun entailed US occupation and military presence. Japan has been, since 1945, the bedrock of US strategy towards the Pacific. US commitment to this region since then can be seen not only through its military umbrella, but also from the fact that it was there that the US fought two wars with “boots on the ground”: Korea and Vietnam.

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It is also a volatile region as we can observe from the Cold War “unfinished business,” such as the Korean Peninsula and Taiwan or the North Korea nuclear program. At the same time, we have witnessed greater intensity in the territorial disputes in the South China Sea, between several contenders. In addition, since the beginning of the economic and financial crisis China has displayed a more assertive foreign policy and, in this context, the US has asked for a “greater clarity of strategic interests,” in particular relating to the discussion around the “string of pearls.” For the US what is at stake here is the legitimacy of its hegemony and the credibility of being the security provider in the Asia-Pacific. In this regard, the goal is to maintain the strategic advantage. This seems to be confirmed with the positive response by some countries to this more assertive Chinese foreign policy. Some countries like Burma, for example, are trying to balance the overwhelming Chinese presence with a reopening of relations with Washington.

On the Chinese side, there is a great discussion within academia about what should be the best response and three trends can be identified: nationalists, globalists and the defensive realists. The first ones, like Yan Xuetong, espouse that the unipolarity of the US is ending and that the 21st century will become a bipolar world. Therefore, not only does China need to achieve strategic parity but it also needs to change the rules of the game in international relations. In a nutshell, to reflect politically and militarily its already economic weight. Globalists like Wang Yizhou prefer to discuss a “creative involvement” that entails a more active part in global governance, greater overseas interests, and in order to safeguard those interests “China will be transform itself gradually from a land power to a maritime power.” Lastly, defensive realists like Wang Jisi stake that there is still much to be done at home and that the challenges include mass urbanization, demographic trends, gap between rich and poor and environmental degradation. Since these are by-products or consequences of economic growth tackling these issues will not be easy.

49 Obama, Barack (2010). National Security Strategy. Washington D. C: White House, pp. 17–18: “The United States remains the only nation able to project and sustain large-scale military operations over extended distances. We maintain superior capabilities to deter and defeat adaptive enemies and to ensure the credibility of security partnerships that are fundamental to regional and global security.”
Strategy begins at Home

The key to China’s success in addressing global challenges also depends on whether it can accelerate the pace of domestic reforms and properly handle internal political, economic and social issues.\(^{53}\)

The set of domestic challenges that Xi Jinping’s team will have to deal with is impressive, even more in what appears to be a greater assertiveness and individual leadership of the Chinese leader.\(^ {54}\) Furthermore, some of the challenges go so deep that they may constitute limits to the maintenance of China’s exceptional rise. In fact, the same could also be said of the US in the sense that it needs to put its house in order.\(^ {55}\) The depth of these challenges has not gone unnoticed to the US military evaluation of the factors shaping leadership perceptions and these include continued economic reform and the shift to try to develop a domestic market, nationalism, regional challenges to China’s interests in the South China Sea, domestic unrest, environment and demographics.\(^ {56}\)

The first challenge has to with the balance between continuing economic reform whilst closing political change. This has been a very difficult balance to strike, but the Chinese leadership has managed to do it for the last decades. A good example of this tension between the monopoly of political power by the CCP and rising individual empowerment can be observed in the Document 9 issued by the Central Party Office in April 2013. It establishes seven non-debatable themes such as “universal values, media freedom, civil society, citizens’ rights, the CCP’s historical aberrations, the privileged capitalist class and the independence of the judiciary.”\(^ {57}\) Another area of strain includes the control of the Internet and social networks. Here we also find the tension between economic activity and profit—internet in Chinas has 500 million users—and the need to control information and fear of its subversive power.\(^ {58}\) But unlike other dictatorships China has financial resources to buy sophisticated technology to control cyberspace. The tools are many and varied and they include the infamous “50 Cent Party,” users paid to write positive comments about the government and denounce those who are critical; a cyber-police, the Great Firewall of China, a filter and pre-censorship; blocking of Facebook or YouTube and its Chinese versions—Renren and Youkou; and the Chinese version of twitter, namely, Sina Weibo with 300 million users. It has

\(^{53}\) Ibidem, p. 122.
been the latter that has been more effective in escaping control of the authorities as can be seen by the families’ mobilization after the railway accident in Wenzhou.\(^{59}\)

A second domestic challenge is linked to the economic reform and the ability to keep the pace of China’s “state capitalism” or “market authoritarian model.” The outcome of the Third Plenum of the 18\(^{th}\) CCP Central Committee has been to put an enormous emphasis on reforming the economy towards a more market-oriented framework.\(^{60}\) Even though it is still unclear how the elite at Zhongnanhai will carry out this Herculean task, it is difficult to ascertain whether Xi Jinping has the necessary domestic support at the top to carry this through. This is linked to the fact that in order for Xi Jinping to prevail at the helm of China it was necessary to compromise with the party elders and the conservatives, and it is precisely these two groups that have the greatest interests in maintaining the economic status quo, mostly the state-owned enterprises. These and the universe of companies in their orbits account for more than half of China’s output and jobs.\(^{61}\) Moreover, this uncertainty is the key factor driving the private sector to send their money and families abroad. For instance, a recent survey concluded that more than 85% send their children to school abroad.\(^{62}\)

Furthermore, one of the main problems in China’s economy remains without a solution, namely, the debt of provincial and local authorities. In order to make sure that these authorities would not be hurdles for the modernisation of the Chinese economy, they were given a slice of the economic reform pie, in what Susan Shirk called the “playing to the provinces.”\(^{63}\) The current reality of this debt is still not known but the official estimates at the end of 2010 concluded that it would be worth between US$ 803 billion to over US$ 2 trillion, meaning 13% to 36% of the Gross Domestic Product as of the end of 2010.\(^{64}\) Another problem very much linked to provincial and local authorities, although not exclusively, has to do with corruption. Hu Jintao considered the struggle against corruption as the life and death of the CCP and Xi Jinping has taken this mantle to the forefront as well. To tackle corruption is always important in a country, but in a

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60 It is still too soon to ascertain the concrete application of these guidelines, but for an excellent analysis of what the Beijing Consensus really is, see Williamson, John (2012). “Is the ‘Beijing Consensus’ now Dominant?”. *Asian Policy,* N. 13, January, pp. 1–16. For the articulation between domestic and foreign policy see Halper, Stefan Halper (2010). *The Beijing Consensus: How China’s Authoritarian Model will dominate the 21st Century,* New York: Basic Books.


62 Idem, ibidem.


dictatorship that is led by a Vanguard Party, it is deadly. Xi is very much aware of this and the need to reinforce the Leninist legacy that only the CCP can lead the process of economic growth into development: the alternative is chaos and territorial fragmentation like what happened during the “century of humiliation” or with the Soviet Union.\textsuperscript{65} Particularly in a time where there is an increase in the inequality of income distribution.

One of the most crucial developments in the coming decades, according to Elisabeth Economy, is China’s plan to urbanize 400 million by 2030.\textsuperscript{66} This will entail the increase in the already strained resources such as water and energy, “since urban Chinese consume more resources than those in rural areas (roughly 3.5 times as much energy and 2.5 times as much water).”\textsuperscript{67} This process will reinforce Chinese energy foreign policy and will encompass greater dam projects in the Tibetan plateau. These have already been a cause for controversy with neighbouring countries since China plans to divert and dam the main rivers of the region.\textsuperscript{68} Water is already an issue domestically since due to environmental degradation many of China’s rivers are polluted.\textsuperscript{69} In point of fact, environment is one of the main reasons or the over 100,000 mass protests annually.\textsuperscript{70} Notwithstanding, Chinese population has already began this migration, although in many cases illegal, from the countryside to the cities. In the last 20 years about 150 million living in the countryside went to the cities. Estimates tell us that in the next 20 to 30 years, 300 million do the same.\textsuperscript{71} Lastly, there is the tragic reality of demography. Although China has the world’s biggest population it is now facing, due to enhanced longevity and the one-child policy, a demographic crisis. In fact, China has the worst of two worlds: not yet a social security and pension system in place and already a rapidly aging population, and a shrinking labor force. In 2015, there will be circa 200 million Chinese people over 60, 300 million by 2030 and

\begin{thebibliography}{9}
\bibitem{66} Economy, Elisabeth (2010). \textit{The Game Changer}. \textit{Foreign Affairs}, Vol. 89, No. 6, November/December.
\bibitem{67} Ibidem.
\bibitem{69} “The most serious challenge China confronts is access to adequate usable water. The Xinhua News Agency ranks China’s total freshwater resources as 6th in the world after Brazil, Canada, Russia, the United States, and Indonesia. But skyrocketing demand, population pressures, inefficiencies, overuse, and radically unequal geographical distribution all combine to produce a situation in which, according to \textit{China Daily}, two-thirds of China’s 650-plus cities do not have enough water for their needs and 100 are facing severe shortages.” In Economy, Elizabeth and Kenneth Lieberthal (2007). \textit{Scorched Earth, will environmental risks in China overwhelm its opportunities? \textit{Harvard Business Review}, June, pp. 90–91. See as well Economy, Elisabeth (2010). \textit{The River runs Black, the environmental challenge to China’s future}, New York: CFR/Cornell University Press.
\bibitem{70} Economy, Elisabeth (2010). \textit{The Game Changer}. \textit{Foreign Affairs}, Vol. 89, No. 6, November/December.
\end{thebibliography}
perhaps as many as 480 million in 2050.\textsuperscript{72} In a country that is the factory of the world this may prove to be a huge obstacle.

Conclusion

On balance, the rise of China has left an undeniable footprint in international relations and it will continue to do so. The claim that China’s rise will be different and peaceful because China is exceptional seems to be facing increasing strategic constrains. From a regional and global perspective, the US responded by rebalancing to the Pacific. We are still a long way of fully comprehending the outcomes of this strategic move as well as the next steps of the Chinese leadership. The Fifth Generation led by Xi Jinping is at a crossroads and we are still witnessing the first steps of a China 3.0. In terms of shaping the 21st century China will face Herculean challenges, of which the domestic ones will be paramount. Since these stem from the process of economic growth they will be extraordinarily difficult to tackle with but they will determine the ability of China to think strategically. To paraphrase Richard Haass, we consider that strategy begins at home.

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Abstract

Throughout the last thirty years of opening to the world Beijing has stressed that its rise will be peaceful and that, from a strategic point of view, China is exceptional. There are many challenges facing Beijing’s response to the US rebalancing to the Asia-Pacific, but we consider that the ones with greater impact are, in point of fact, of a domestic nature and constitute limits to Chinese exceptionalism.

Keywords: Chinese exceptionalism; peaceful rise; US foreign policy.

Resumo

Ao longo dos últimos trinta anos de abertura ao mundo, Pequim salientou que sua ascensão seria pacífica e que, de um ponto de vista estratégico, a China é excepcional. Há muitos desafios para a resposta de Pequim frente ao reequilíbrio dos EUA na Ásia-Pacífico, mas consideramos que aqueles com maior impacto são, na verdade, de natureza interna e constituem limites ao excepcionalismo chinês.

Palavras-chave: excepcionalismo chinês; ascensão pacífica; política externa americana.