

# ISAS Brief

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ISAS Symposium on Modi's Visit to China – Paper I

## **Chinese Setting for Talks with India: How Beijing Thinks and Acts<sup>1</sup>**

*The way China behaves in contemporary times has deep roots in its intellectual, philosophical and political past, and is shaped by them. This also applies to how China interacts with India. It provided the matrix for India's Prime Minister Narendra Modi's visit to China in mid-May 2015.*

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In terms of methodology, the Chinese reach out into the past to shape contemporary thinking. Take for instance, the idea of 'yin' and 'yang', in other words, the male and female forces. To the Chinese, everything in the world has two seemingly opposing elements. The quality of our lives and the well-being of our world depend on bringing such opposing tendencies into balance with one another: 'Yin' symbolised by the Moon, and 'yang' by the Sun. To keep the heavens running smoothly, the Emperor in ancient China had the task of maintaining the

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<sup>1</sup> This paper on how China thinks and acts is based on the author's presentation at the ISAS Symposium on Modi's Visit to China – organised in Singapore on 11 June 2015. The Institute of South Asian Studies (ISAS) is an autonomous research institute at the National University of Singapore.

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harmonious balance between the Sun and the Moon. With the Emperor disappearing eventually, this function devolved on the Chinese Communist Party (CCP) representing the Chinese people, who, as Mao famously said in 1949, had now “stood up”.

But as we know, through fundamental laws of physics, contradictions, in absolute equilibrium, impede movement, and hence progress. It is, therefore, necessary to have the balance tilted in a positive way. Enter Friedrich Hegel. The Hegelian dialectical progression via thesis, anti-thesis, and synthesis provides the kinetic force necessary to break this inertia and cause the forward propulsion to take place within this paradigm; just like the kite, which rises against the wind. This brought Marxism, or ‘socialism with Chinese characteristics’ into line with the Chinese value-system in support of the Revolution.

The ensuing behaviour-pattern seemingly eschewed any form of stridency. For instance, contrary to expectations, China did not intervene in the War of 1971 in South Asia. Hence also the hesitation to accept the expression “peaceful rise”, and the preference, instead, for the phrase “peaceful development” to describe their current burgeoning influence.

But driven by necessity, force has to be used to restore order, or in defence of ‘core interests’ and in this, they are in consonance with the Hobbesian sense that order is the *sine qua non* of civilisation. But even an orderly society produces waves. A great helmsman must guide the boat of society or State by using the waves. Otherwise, the waves would sink the boat. Hence the need for the Emperor, or Sun Yat-sen, or Mao Zedong, Deng Xiaoping, and now Mr Xi Jinping.

This is roughly the philosophical or theoretical matrix which forms the basis on which China’s strategic goals are formed. I see these goals as being five-fold.

First, preservation of the CCP regime despite remarkable changes in the governance principles: One will note this even in the latest Defence White Paper where the People’s Liberation Army unequivocally pledges its allegiance to the Party.

Second, prosperity, mainly economic, that helps prop up the regime: Because with the changes in its communist ideology in China, the CCP’s rationale or *raison d’être* becomes tied to performance.

Third, power generally in the international arena both the ‘hard’ and ‘soft’ versions: Hence the building up of military capabilities such as Naval carriers, “Deng-Feng” or “East Wind” missiles and submarines in pursuit of hard power, and setting up of Confucian institutes in pursuit of “soft power”.

Fourth, a peaceful, orderly, environment to sustain its reforms, and modernisation challenges: This calls for foreign policy that conforms to, rather than challenges, the existing international order. Hence, China will not change the current global financial architecture but want to operate within, or add on to it, as evident in the setting up of the Asian Infrastructure Investment Bank.

Finally, championing multi-polarity and challenging the hegemony of the sole hyper-power, the United States of America, but preferring itself to be the only entity to be able to stand up to the USA in Asia. Hence, India is important but not equal. In their perception, India is not able to stand up to the USA.

There are four contradictions that condition China’s pursuit of the above mentioned strategies.

First, self-image of a big power, versus existing poverty.

Second, open-door incentive versus sovereignty concerns, which makes them reject interference.

Third, principles versus pragmatism, which makes for strong rhetoric but restrained action: for instance when there were clashes with Myanmar, soldiers in the borders were surprised by the lack of Chinese retaliation.

Finally, market socialism versus Leninist communist economy: there is competition with the US but deep structural financial investment/interdependence, valuing approximately US\$ 3.9 trillion. This is a new version of MAD theory in action. (The original MAD theory was defined in terms of Mutually Assured Destruction in nuclear-arms racing between the US and the former Soviet Union.)

The Chinese express themselves in metaphors and maxims, and Deng Xiaoping’s was “hide your capabilities and bide your time”. He was very strong on pragmatism, of course, when he said, “it does not matter whether the cat is black or white as long as it catches mice”. So, go to the market place. But there are no friends in the marketplace, so nurture your allies.

Mr Xi Jinping launched the new *mantra*, the China Dream or *Chung Guo Meng* in Mandarin. *Chung Guo Meng* comprises three elements: one, a new kind of big-power relationship with the US, one of equality: it isn't 'my way or the highway'; it is 'you go your way and I go mine, together or separately, but in peace'. Two, 'win-win' relationship with partners, whether they be competitive countries like India, or strategic allies like Pakistan, a country that is so key in the fruition of his "One belt, One Road initiative", which is also an essential part of China's 'westward march' in quest of resources. This also involves a massive infrastructural investment of US\$ 45-billion along the China-Pakistan Economic Corridor. It claims these aim at community development and are not linked to any territorial disputes where China takes sides. Some of course argue that when the Chinese say 'win-win', it's 'a double win' for themselves. Three, stimulating the local demand to boost the economy, on the backdrop of a stable growth.

To achieve domestic stability, the CCP pursues the policy of the "Four Comprehensives", which was unveiled in February 2015, at the annual policy meeting of the National People's Congress and the People's Political Consultative Conference. This involves a four-pronged comprehensive strategy, which comprises of the following: to comprehensively build a moderately prosperous society, comprehensively deepen reform, comprehensively govern according to law, comprehensively and strictly govern the Party.

Andre Gunde Frank had once stated that the only thing to fear about a rising China was the US response to it. The historian Niall Ferguson had coined the term 'Chimerica' to describe the duo and Mr Zbigniew Kazimierz Brzezinski had floated the concept of G-2, which by the way, both the US and China are wary of. But this isn't quite a Kissingerian 'balance'. Mr Kevin Rudd, the former Australian Prime Minister, had spoken of an 'asymmetric balance', the military one in favour of the US, the economic one in favour of China. The US rebalance may have an element of containment of China. But many Americans argue for what they call 'constrainment', which is containment, plus engagement.

To Jeffery Sachs, China is the most successful development story of history. But the Chinese appear almost demure about it. At the same time, make no mistake. China is quietly moving to position itself pivotally on the globe. Its external policy resembles a river that meanders, but does not make sudden changes of course. There is a method to the dragon's mood swings. Mr Narendra Modi stepped into this complex milieu in his visit, and because of the reasons described, confronted the maxim: shelve differences and find common grounds. China

believes time is on its side and it is NOT of the essence. Once asked about the impact on history of the French Revolution of 1789, Zhou Enlai famously replied, “It is too soon to tell”.

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