China and the multipolar world

There is every reason to believe that the growing confrontation between the West and Russia, which resulted in a conflict around Ukraine and Crimea, is an important milestone, marking a new stage in the struggle for the future world order. Moreover, the way the future will look, largely depends on China’s position in the international arena.

To understand the logic of Chinese intentions, it is first necessary to consider the format in which Beijing will build its relations with the major geopolitical players: the EU, U.S. and Russia. Obviously, each of the parties will seek to enlist the support of China. Nevertheless, the question is – what China itself wants at the moment?

One cannot overestimate the importance of the European tour that Xi Jinping is making these days. The interest of both parties in establishing trade and economic relations is very high, especially given the fact that China remains the second largest trading partner of the EU. Above all, Europeans are trying to attract Chinese investments to stimulate their economies, which are in recession. China, as always, needs markets for its products (despite the stated refocusing on domestic demand, foreign markets are its targets, so far), and advanced Western technologies to ensure transition to an innovative model of economic development, as a pledge of the future welfare of China. Another important issue for China is to increase the role of the Yuan in international transactions, which, in the long term, will lead to its free convertibility. Now, this is mainly done through bilateral currency swap agreements, but the UK’s stand on this issue could significantly change the situation in favor of Beijing. According to the British Finance Minister George Osborne, London is going to become a global center for trade and investment in the Chinese currency. Work in this direction is very active, as evidenced by the results of visits to China Cameron and Osborne in the autumn and winter of 2013.

In general, the whole line of China’s European long-term policy aims at the creation of a Sino-European free trade area, which will become the foundation for joint development and mutual stimulation. A key role in this process is assigned to the UK.

In this context, it is particularly worth mentioning the Chinese projects - the Maritime Silk Road and Silk Road of the 21st century, which have things in common with European plans to establish a free trade zone stretching from Lisbon to Vladivostok, announced in March 2014 by Stefan Fule, EU Commissioner for Enlargement and European Neighborhood Policy. Wang Ivey, professor at the Institute of International Relations of the People’s University of China, Deputy Director of the Research Center of the EU, believes: “If there is an opportunity to combine efforts, then Sino-European cooperation will bring Eurasian integration, and will give a new meaning to globalization.”

It is unlikely that Eurasian integration in this format will serve the interests of Russia, for which this direction of foreign policy is paramount. An alternative project, linking together the East and West, given the huge potential of China and the EU could leave Russia out of the picture.

Americans decided to approach the issue of building their relationship with China from another angle. They are actively using “soft” diplomacy, playing on Chinese pride, and this factor should not be underestimated. By sending on a tour of China, the entire female half of Obama’s family, the U.S. is pursuing a clear goal – to enlist the sympathy
of the Chinese people. The USA is trying to use all the available means to win over the PRC to their side, given that there are many more problems in the relations between China and the United States. Beijing and Washington consider each other as the main rivals. Americans fear that China will challenge them in the struggle for world leadership, while the Chinese, in their turn, accuse the U.S. of pursuing a containment policy aimed against China. That is the way the U.S. position on the priority of their interests in the Asia Pacific Region is regarded. China is extremely concerned about the intensification of Washington’s activities, primarily in Southeast Asia, as this region is the “throat” through which China imports and exports its products. The U.S., unlike Britain, does not welcome the strengthening of the role of the Yuan in international trade, rightly seeing it as a threat to the dollar. Despite the close relationship of the two leading economies of the world, the U.S. is jealously protecting its advanced technologies, which are one of its main advantages in the modern world. This, in particular, is reflected in the establishment of trade barriers and export restrictions on high-tech products to China. The confrontation with Washington on all the key issues for Beijing, from the territorial conflict with Japan to the situation in Tibet (this February, Obama had a meeting with the Dalai Lama, and in this connection, China expressed an official protest), clearly does not contribute to the convergence of foreign policy positions of the two countries.

Another blow to US-China relations was made before the meeting of Xi Jinping and Barack Obama, held on March 24, 2014, during the Nuclear Security Summit in The Hague. The media revealed information that the U.S. National Security Agency had spied on the Chinese telecom giant Huawei, on the former leaders, including Hu Jintao, the Ministries of Foreign Affairs and Commerce, as well as on the banks. Foreign Ministry spokesperson Hong Lei immediately demanded an explanation from the United States on this issue. Due to this story the American president, who hoped to enlist the support of the PRC on the Ukrainian question, was placed in an awkward situation. As a result, Xi Jinping has only confirmed the immutability of the “fair and objective” position of his country on the issue of Ukraine, which is – “advocating a political solution to the crisis”.

This formulation rather plays into the hands of Russia than into those of the West, which expected to hear from Beijing a condemnation of Russian actions in Crimea. China also abstained during the vote on the Ukrainian issue in the UN Security Council. Moscow has blocked the adoption of this resolution, using its veto, but given the fact that all the other 13 member states of the Council voted “for”, China’s position may be well regarded as a support of the Russian Federation, albeit indirect. Of course, China could not openly support Russia, as it did in the case of Syria, in view of its own problematic territories, such as Tibet and Xinjiang, as well as the unresolved Taiwan issue.

If the West has already begun actively to persuade China to move to its side, Russia is saving its trump cards until May of this year, when we will see what its opponents have been actually able to achieve. Putin’s visit to China is scheduled for May 2014. Undoubtedly, this event is of great importance for the development of bilateral relations, but it is especially worth noting that during this visit, they are expected to sign a contract for the supply of Russian gas to China. They have been negotiating the deal for a long time, but the main stumbling block was the price of the fuel. Minister-Counselor of the Chinese Embassy in Moscow Zhang Di pointed out that “the signing of the contract during the visit of Russian President to China in May is quite possible.” With all the caution and careful approaches, this agreement is equally beneficial to both parties. China, of course, is interested in reliable energy supplies for its giant economy. In addition, it will be much easier to ensure the security of such supplies from the continent. For Russia, attracting a reliable consumer of its hydrocarbons, in this case China, is more than topical, especially after Obama’s statements on the possibility of providing Europe with American gas. And although, as experts say, for purely technical reasons, the West will not be able to fully realize these promises earlier than in 2020, Russia today needs to think of new partners in the energy sector, which it could rely on in case of further deterioration of relations with the EU.

It is worth noting that the West, especially given its position on the Ukrainian issue, has done much to accelerate convergence between Russia and China, whose relations had been dynamically and positively developing before this. Russia was the first country visited by Xi Jinping as head of the PRC, which in diplomatic language speaks about the priority of this direction in Beijing’s policy. However, few experts paid attention to another visit of China’s leader. It is very important that Xi Jinping arrived for the opening ceremony of the Olympic Games in Sochi, at the moment when China itself was celebrating the Chinese New Year. It must be remembered that at this time of the year, the Chinese visit only relatives and their closest friends, and in China, they attach great importance to this.

At the moment, China, which openly supports a multipolar world, is interested in strengthening Russian positions, which will significantly undermine Washington’s leadership on the world stage. Nevertheless, Beijing would not dare to make an open alliance with Moscow against the West. First of all, China is not going to risk its economic relations with the EU and U.S., which are likely to worsen substantially. The second reason for the denial of such a position is not so obvious, but it is much more important for the whole world. The thing is that by adhering to any of the parties
involved in the present confrontation, China would effectively form the basis for a military and political alliance – China-Russia against the U.S.-EU, or China-U.S.-EU against Russia, which would move all the geopolitical balance of forces towards pre-war conditions. And at this stage, China does not need a war, or any international sanctions. Such a development would not suit the CPC’s announced goal of pursuing a path towards the construction of a moderately prosperous society (Xiaokang) by 2020. Moreover, China is now entering a period of reforms, and international stability is extremely important to it at this time. Therefore, Beijing is insisting on a peaceful political settlement of the conflict over Ukraine and Crimea. At the same time, it is not so important for China in whose favor this dispute will be resolved – the main thing is to prevent military actions and to minimize the penalties that would make trade and economic ties more complicated.

Today, globalization, primarily economic, is profitable for China, even more than for the West, which promoted it to their advantage. Based on this, we can assume that China will further develop mutually beneficial trade with all the international players, supporting the existing geopolitical balance of power, but directing its efforts to gradually reduce the role of the United States and strengthen the role of Russia and the EU.

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