

Dr Yu Jie was a guest of the AEJ on April 19 2018. Here AEJ member Peter Norman summarises her assessment of China's global ambitions.

AEJ Members were treated to a succinct but wide-ranging analysis of China's domestic challenges and foreign policy ambitions when Dr Yu Jie, the leading China expert at the London School of Economics, addressed the question of "What next for China's global role?" at a lunchtime meeting of the AEJ's UK section on April 19th.

In a virtuoso 90 minutes of exposition and discussion, Ms Yu, who heads China Foresight at LSE IDEAS, the LSE's foreign policy think tank, explained how Chinese President Xi Jing Ping's goals are to eliminate factions inside the Chinese Communist Party (CCP) and establish China once more as a great global power. In pursuit of these objectives, he is aiming over the next 5 to 10 years to secure the legitimacy of the party and the absolute stability of the state at home, while putting flesh on a more assertive foreign policy under the slogan of "major country diplomacy with Chinese characteristics."

Achieving these goals won't be easy. China has a lot of catching up to do. While economic policy will continue to aim for steady growth of GDP and wages through reform and being open to outside influences, the country still has to tackle gross income inequality and it is not clear how this will be done. Also unclear is how President Xi will achieve his stated aim of reforming China's institutions through the agency of the Communist Party in a complex system with many layers of government. Meanwhile China has encountered some problems and at times been caught off guard adapting its foreign policy to a global role. Yu Jie said China had sometimes behaved 'like a teenager' in not being aware of how best to use its new-found strength abroad.

President Xi's management of the economy will be one of the benchmarks by which he is judged in later years. He has no background in economic policy making and has entrusted the economy to two US-educated reformers: Liu He, appointed deputy prime minister, and Yi Gang, recently promoted to head the Peoples' Bank of China.

But, according to Yu Jie, there is little evidence so far that Mr Xi has any great economic reform goals. His attempts to reform state owned enterprises (SOEs) have so far had little success because of resistance among vested interests in the CCP who have grown rich running the companies. In an era in which the CCP is meant to control everything, Mr Xi's response has been to downgrade the SOEs' status by excluding their chief executives from the central committee of the Communist Party and by obliging SOE leaders to attend study courses on CCP disciplines.

Another benchmark for judging Mr Xi will be in the area of institutional reform and how far the state can promote China as a great power while meeting the needs of its people at home. She stressed that China doesn't operate in a simple top down manner. In the case of foreign affairs, policy making 'resembled Lasagne' In that it was made up of many layers and flavours. Fifteen ministries and the different Chinese regions all had a voice in making foreign policy decisions, militating against coherent policy-making in areas such as international development.

In that case, President Xi set up a new International Development Agency staffed by experts, with each (as is the norm with foreign educated Chinese) having a Communist Party deputy. Elsewhere, the picture on institutional change is blurred. There may be some clarity by February next year following the next annual session of the National People's Congress.

But in the meantime, Beijing's foreign policy is incurring risks and suffering mishaps. China is bearing all the financial and political costs of its ambitious Silk Road initiative to open up new transport and trading links in central Asia because weak implementation has deterred foreign investors. When Libya plunged into civil war and chaos in 2011, China was surprised to find 123,000 of its citizens were in the country. It was perplexed and wrong-footed by Brexit and the subsequent refusal of UK prime minister Theresa May to fully endorse its Belt and Road initiative. Having allowed relations with North Korea to sink to depths unknown since 1949, China was initially marginalised by the recent fast-moving developments on the Korean peninsula. To counter this marginalisation, China hastily arranged for the recent visit of North Korean Leader Kim Jong Un to Beijing in just three days while, according to Yu Jie, a return visit of President Xi to Pyongyang is likely to happen very soon.

While developing a global foreign policy, China must keep its population content at home. Yu Jie played down any expectations of radical political change, dissent or greater political pluralism in China. The middle class, as the major beneficiary of China's rising prosperity in the past 40 years, would continue to conform as long as it benefitted from the system. Chinese students had no great trust in Western media. China had created an internet system in which people could "say anything they want" so long as they did not discuss the "demise of the Communist Party", Ms Yu said. Her students in China could easily circumvent the government's "Great Firewall" and access Facebook and Twitter through VPN software.

China's IT technology is very advanced and the Communist party has embraced the IT sector. President Xi has sought to absorb the "technical Tsars" running China's great IT companies into the CCP so that the CEOs of the big tech companies are now members of the upper chamber of National People's Congress -- the co-called consultative committee. The party has also organised top level study sessions on artificial intelligence.

Dr Yu was asked whether we should fear China as it flexes its foreign policy muscles in areas such as the South China Sea and develops IT systems that are technically superior to many in the West. China's action in creating bases in the South China Sea was a "huge mistake", she said. But fear of China was fear of the unknown. it would be wrong, she said, to overestimate China's ambitions and see it as seeking a hegemonic role.

President Xi might play the nationalistic card to impress audiences at home and abroad. But poverty is still pervasive in China and lifting that is a priority for the government. China as a country suffered so much in the century and a half after 1840 that the priorities of the Chinese people are to survive and have a better life.

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