



China Rising

What does China's ascendancy mean in geopolitical and economic terms? And how will it affect the West and its Pacific allies - notably Australia - in the coming decades?

Michael Danby is well placed to provide a clear eyed view of China's role and influence in the Asia Pacific region. As chairman of Australia's influential Parliamentary Joint Committee for Foreign Affairs, Defence and Trade, he has seen at first hand the rise of China as an economic and political superpower over the past twenty years. He acknowledges that it has been good for Australia to have China as its biggest trading partner. "China's peaceful rise is a welcome and necessary development. The world needs a prosperous and stable, satisfied China not a poor, unstable and angry China." Danby spoke at the Henry Jackson Society in the U.K.'s House of Commons recently.

But he rejects the notion that China's inexorable rise inevitably means that the U.S. will withdraw from, or even be driven out of the Asia Pacific region and that Australia should allow itself to become a junior partner in the new Chinese hegemony in the region. "Australia does not need to, nor should it, shift away from, a strategic alliance with America. On this I agree with former Prime Minister John Howard, when he said recently that "China is our biggest customer, the United States our biggest ally."

He also believes it is unwise to make policy decisions about how to engage with China by applying the policies developed during the Cold War era when another Communist superpower was

flexing its muscles. "The Soviet Union was an artificial state, cobbled together from disparate nations, with an inefficient and unproductive command economy and a parasitic state and party bureaucracy, the whole thing held together by police terror. That is not what we see today in China."

Emerging from the shadow of Mao

Michael Danby believes that China is a very different country from when it began to emerge from the shadow of Mao and a very different country to the post Glasnost Soviet Union, which he says had to effectively go into voluntary liquidation at the end of the 20th century. "Since Deng Xiaoping's reforms began in 1979, China has developed elements of a free-market economy. Hundreds of millions of people have been lifted out of poverty, creating an enormous urban working class and a growing and powerful middle class. China has also, for the first time in its long history, become a great trading nation, not only with Australia but also with the U.S., Europe and the Middle East."

Danby believes that despite the presence of restive minorities like the Tibetans and the Uyghurs, China is largely an ethnically and culturally united country. "The Han Chinese make up 91 percent of the population. China is not going to collapse in the

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same way that the Soviet Union collapsed. Nor should we want it too – a return to the division and chaos of the past would be in no-one's interest.”

Political and economic pragmatists

He rejects the view of some more apocalyptic commentators who see political and even military conflict with the U.S. as inevitable. “China is not North Korea or Iran. It is not run by psychotics or fanatics.” The new Chinese leadership are political and economic pragmatists at heart. “China must sustain economic growth in order to provide employment to its workers and rising standards of living to the middle classes. There can be no going back to autarky or the command economy.”

Furthermore in order to sustain that growth, China needs to keep trading. It needs markets for its manufactured goods and it needs supplies of raw materials and energy to fuel its industries. “The Chinese leaders are not stupid. They know that China's economy is hostage to its trading partners. Beijing cannot embark on the kind of adventurist foreign policy that the Soviet Union used to embark on because China is more vulnerable to trade sanctions in a way that the Soviet Union never was.”

He also believes that it is wrong to think that international criticism of China's human rights record will prompt economic retaliation. “China can't afford to retaliate by not buying Australian iron ore or not exporting to the U.S. China does respond to international pressure on human rights issues and if the pressure was applied more consistently the results would be even greater.”

He remains optimistic that economic pragmatism will eventually lead China's leaders to dismantle the apparatus of totalitarian control and allow democracy to flourish. “If the benighted Burmese Generals can come to accept that peace and freedom are better than conflict and oppression, so can the Chinese Politburo.”

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