

How China can turn the trade war into a 'strategic opportunity' to ascend to global leadership

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If you think 86-year-old Zheng Bijian's best years are behind him, think again. The strategist and former executive vice-president of the Central Party School is best known for his coinage "[peaceful rise](#)", which has been the defining notion of China's foreign policy for well over a decade.

For almost as long, however, Zheng has been besieged by criticism, first from the likes of University of Chicago professor John J. Mearsheimer, a realist who contends that China's rise will inevitably lead to acts of aggression and put it on a collision course with established powers, and most recently from Harvard scholar Graham T. Allison, who warns darkly of a "[Thucydides trap](#)" that threatens to drag China and the United States into a devastating war for dominance.

In the light of [recent events](#), Zheng's critics appear to be winning, but the old Communist theorist refuses to throw in the towel just yet.

The Trump administration has not only imposed [new tariffs](#) on US\$200 billion in Chinese imports but also threatened to tax all US\$500 billion of Chinese goods, deeply vexing many Chinese. The country's raucous netizens are discussing the potential blow to the economy. Articles have [revisited](#) how Japan signed the Plaza Accord in 1985 and staggered into a "lost decade" after its bubble economy burst, conjuring up an ominous sense of déjà vu.

At a time like this, Zheng has been cajoled out of semi-retirement to soothe anxiety and lift morale – with a new theory on China's "great strategic opportunity". Speaking at Fudan University in Shanghai on October 14, he argued that despite the temporary setbacks, China is resilient enough to withstand a full-blown trade war.

Watch: US will 'suffer more' in trade war with China, Alibaba founder Jack Ma says

[Amid a trade war, the world needs China's 1.4 billion consumers](#)

Zheng's confidence is not unfounded. Many a Chinese economist has estimated that the export losses can be amply offset by stimulating domestic demand. China is already one of the world's largest consumer markets, offering a wealth of opportunities to businesses selling merchandise from garments to hi-tech gadgets, from imported foods to travel products. In January, *The Washington Post* predicted that retail sales in China would reach US\$5.8 trillion in 2018, equalling or surpassing the US.

Zheng hailed the Chinese market's resilience to a trade conflict as "market power", which he said was a fifth unique strength of China's, after "considerable productivity, strong national defence, unique cultural power and unparalleled social governance". He also talked up the [Belt and Road Initiative](#), a "mega world market" that would be China's best shot at breaking free from Trump's chokehold on trade.

According to data released by China's National Bureau of Statistics and Ministry of Commerce, Chinese trade with [countries along the planned routes of the belt and road](#) has reached US\$5 trillion in five years. China has directly invested more than US\$60 billion in the countries, and more than 200,000 jobs have been created.

The initiative has been criticised in the Western media as a geopolitical strategy expanding China's sphere of influence or as a [debt trap](#) tricking smaller nations into borrowing more than they can repay. In spite of all the accusations levelled against President [Xi Jinping](#)'s pet project, the initiative was deemed a modest success during a meeting the Chinese leadership held in August.

To its credit, the belt and road plan has provided funding for an infrastructure boom, setting the stage for economic take-off in some countries. Like it or not, at a time of US withdrawal from international engagements, the influence of the belt and road will only grow, as the sea- and land-based network developed under China's auspices links up more and more countries.

As Zheng sees it, this is exactly where China's "great strategic opportunity" lies: by placing itself at the centre of world affairs and economic globalisation while the US is pulling out, China is building its reputation as a champion of free trade in its quest to win over hearts and minds.



China's market and transcontinental marketplace formed under the Belt and Road Initiative are pillars of the "great strategic opportunity". To undergird his theory, Zheng also spoke of the remarkable endurance of the Chinese people, who can turn adversity into advantage. Specifically, he invoked *On Protracted War*, a collection of Mao Zedong's 1938 speeches calling for a protracted "people's war" to wear down Japanese invaders.

The message Zheng tried to get across to his countrymen also toes the official line on the trade war: steel yourself for the looming economic hardship, and remember, whoever sticks it out to the end wins.

What pundits like Zheng have in mind is a vision of China leading the next phase of economic globalisation. And it would take more than perseverance to ascend to such a prominent role. It would be a test of China's leadership, resolve and resourcefulness, and perhaps require a bit of grandstanding.

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[Don't blame globalisation for world's ills, Xi Jinping tells Davos](#)

The grandstanding is already in evidence. By denouncing the Trump administration as a "revisionist" regime bent on subverting the world order, China is trying to seize the moral high ground. Indeed, a raft of recent measures – such as [cutting tariffs on goods like cars](#) and scrapping foreign ownership limits on banks and carmakers – do signal China's ambition to be a chief promoter of free trade and its willingness to live up to others' expectations.

Over the past few years, Xi's foreign policy doctrine has come to be defined by catchphrases such as "[community with a shared future](#)". Zheng believes that such idealism has to be balanced out with a healthy dose of pragmatism, reflected in the concept of "[community of shared interests](#)". Only through identifying converging interests can China hope to build symbiotic relationships that are conducive to peace and prosperity, he has said.

Zheng and other architects of the Chinese foreign policy framework have been exhibiting a new assertiveness. In contrast with their prudent, banal predecessors, they are more upfront about their ambitions for China to become a global leader.

This is the hallmark of a transition in China's foreign policy. As a German international relations expert once remarked to me, "China used to flourish by aligning itself with international norms and standards; now it is expecting the world to conform to the rules it plays a primary role in creating."

Trump's trade bullying, hectoring attitude toward allies and ravings about US pre-eminence will further estrange the US from its friends. He will drive them into the open arms of China, whatever they may make of Beijing's posturing.

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