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Research Articles

21st Century U.S. Policy on an Emergent China: From Strategic Constraint to Strategic Competition in the Indo-Pacific Region

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Abstract

During his second term as U.S. president, former President Barack Obama made the Asia-Pacific region the focal point of American strategic attention. In November 2011, he announced the U.S. pivot to Asia. His goal was to constrain China from easing out the U.S. as East Asia's strategic offshore balancer. Contrary to expectations, the 2016 election of Donald Trump, did not spell the end of the strategic rebalancing to Asia. For the Trump Administration, the Asia-Pacific remains a top security priority because of China's naval expansion, island-building activities, and militarization efforts in the South China Sea threaten not only the freedom of navigation but also the rules-based international order. Consequently, the Trump Administration has directed the U.S. military to proceed with the rebalancing of its forces and their capabilities to the Asia-Pacific region. This decision indicates that, despite its initial opposition to the rebalancing policy to Asia, the current administration believes that on the basis of geography, interests and values, the U.S. is a Pacific power which plays an important role in shaping the future of this dynamic region. This is because the Trump Administration has engaged China in a strategic competition in the Indo-Pacific region. In conclusion, this article warns that the Trump Administration's policy of engaging China in a strategic competition will set back the hands of time to the U.S.-Sino conflict in the early years of the Cold War, when American and Chinese values, interests and policies were simply adversarial without any convergence. However, this 21st Sino-U.S. competition is different because both countries' materiel/technological capabilities and global reach are considerably greater than they were in the 1950s.

Keywords: *Indo-Pacific region, Sino-U.S. competition, Trump Administration, China, constraint, rebalancing policy, Belt and Road Initiative (BRI)*

1. Introduction

On November 11, 2016, speaking before the Australian Parliament in Canberra, apropos American presence in Asia, then President Barack Obama said: “Reduction in U.S. spending will not – I repeat, will not – come at the expense of the Asia-Pacific. We will preserve our unique ability to project power and preserve peace (in East Asia).¹ He affirmed that maintaining U.S. forward-deployed forces in the Asia-Pacific remained his top priority despite cuts in U.S. defence spending. Thus, former President Obama made the Asia-Pacific region the focal point of U.S. strategic and diplomatic attention during his second four-year term. He built up American forward-deployed forces in the Western Pacific, strengthened his country’s bilateral alliances, forged new security partnerships with a number of East Asian states, and boosted U.S. participation in regional organizations. His overarching goal was to constrain China from easing out the U.S. as East Asia’s strategic offshore balancer.

The 2016 election of Donald Trump, however, did not spell the end of the strategic rebalancing to Asia at all. The Asia-Pacific remains a top security priority for the U.S. for two reasons: First, North Korea’s nuclear weapons program poses a clear and present danger to the U.S. and its Northeast Asian allies. And more significantly, China’s naval build-up and island-building activities and militarization of the South China Sea threaten not only the freedom of navigation but also the rules-based international order. Consequently, the Trump Administration has directed the U.S. military to proceed with the rebalancing of its forces and their capabilities to the Asia-Pacific region. These developments indicate that despite its initial opposition to the Obama Administration’s rebalancing policy to Asia, the current administration realizes that on the basis of geography, interests and values, the U.S. is a Pacific power which plays an important role in shaping the future of this dynamic region.

The Trump Administration’s foreign policy on the Indo-Pacific region reflects both continuity as well as discontinuity with the Obama Administration’s rebalancing strategy. On the one hand, the Trump Administration’s policy towards Asia reflects continuity as high-ranking administration officials visited the region and with President Trump receiving the leaders of Malaysia, Singapore, Thailand and Vietnam at the White House. These were carefully calibrated policies taken by the current administration to send a reassuring signal that U.S. engagement with the region would be built upon the foundation laid down by the Obama Administration.² This stance stems from an appreciation and understanding of the U.S. role and function to strengthen American alliances, partnerships, and regional institutions that are committed to a rules-based international order as the foundation of peace and stability in East Asia.³ It is also based on the realization that China continues to challenge American leadership in the Indo-Pacific.

On the other hand, the Trump Administration foreign policy also reflects discontinuity as it characterized China as a threat to U.S. interests and is aimed to engage this emergent power in a strategic competition. The new *U.S. National Security Strategy* labelled China and Russia as revisionist powers and rivals of the U.S. that are seeking to erode U.S. security and prosperity.⁴ It accused China of expanding its power at the expense of the sovereignty of others and spreading its authoritarian system around the world. Accordingly, in the Indo-Pacific region, the document asserts that China aims to displace the U.S. as the dominant power.⁵ By labelling it as a strategic competitor, the Trump Administration has discounted any possibility that China will evolve as a “responsible stakeholder” or a “normal great power.” Alarmed by its broadening and deepening economic, diplomatic and strategic efforts aimed to ease the U.S. out of the Indo-Pacific region, the Trump Administration is pushing back against China fully aware that the U.S. still possesses substantial military and economic capabilities that are far greater than this emergent and assertive power.

This article explores the changes in the Trump Administration’s foreign policy in the light of the commonsensical view that it is simply continuing the Obama Administration’s strategic rebalancing to East Asia. It raises this main question: Is the Trump Administration pursuing a policy of continuity or discontinuity of its predecessor’s strategic rebalancing to the region? It also addresses these corollary questions: A) what is the strategic rebalancing policy to Asia all about? B) What are its components? C) How did the Obama Administration implement this policy? D) How does the Trump Administration view this policy? E) is there any change or modification in the Trump Administration’s foreign policy on the China on particular, and on the Indo-Pacific region in general? and F) what will be the implication of this change in U.S. foreign policy on the Indo-Pacific region?

2. From a Responsible Stakeholder to a Strategic Competitor

Contemporary realist literature portrays an anarchic world where *status quo* states have two choices in responding to an emergent and revisionist power like China. Accordingly, some states balance the emergent and revisionist power to preserve their security, while others jump on the bandwagon to secure economic gains or otherwise expand their influence.⁶ In his 1987 classic work, *The Origin of Alliances*, Stephen Walt observed that when confronted by a major external security challenge, a state may either balance by allying itself with other states against the potential threat or get on the bandwagon by aligning itself with the emergent power.⁷

However, there is a third approach – constraint. The late Canadian scholar Gerald Segal explored the application of constraint on a potentially

revisionist China in his 1996 article, “East Asia and the ‘Constraint’ of China”.⁸ He argued that containment (a form of balancing) and engagement (a form of bandwagoning) are artifacts of the Cold War and could not resolve the problems attendant to an emergent China. In other words, both strategies have become anachronistic in the post-Cold War era. Alternatively, he called for a balanced policy of engagement with a modified form of containment which he called “constraint.” This term is concretely demonstrated in the collective action of states that coalesce to pressure China to moderate its stance on certain issues.⁹ Segal recognized the advantages of deepening the economic, social and political relations with China. Nevertheless, he cautioned western countries and ASEAN member states that such engagements would be optimized only if China could be prevented from using force to realize its irredentist claims and to tilt the balance of power in East Asia in its favour.¹⁰

There is a need to engage an emergent power like China, yet the international community must not hesitate to constrain it when necessary. Segal warned about the tendency of some states to indulge or pander to China’s whims so as not to offend the sensibilities of the Chinese people especially in what is perceived as an attempt to contain China.¹¹ He also noted that China fears a concert of countervailing forces. Thus, it has softened or modified its position on contentious issues in the ASEAN Regional Forum, and has even signed the Non-Nuclear Proliferation Treaty (NPT), and the Comprehensive Ban Treaty (CBT). Constraint need not be a confrontational or a balancing policy against China. Rather, it must aim to integrate China into the international system.¹²

During the Cold War, the U.S. adopted on a grand strategy of containment by applying economic, military and diplomatic means to contain communism in countries where it ruled and to prevent its spread to other parts of the world. Today, containment is no longer adequate to deal with a generally pragmatic (not ideological), diplomatically astute, economically powerful, but unstable and minimal *status quo* power like China. Rebalancing, nonetheless, is not containment as it does not treat China as a Cold War-style opponent but rather as a potential adversary. The China challenge must be approached from a position of strength and given clear red lines relative to any potential trouble spot, from the Korean Peninsula to the Taiwan Straits, and the South China Sea.¹³

As an American grand strategy in the second decade of the 21st century, the rebalancing policy aims to constrain China’s pervasive influence and power in East Asia. The Obama administration’s strategic pivot to Asia expands rather than transforms U.S. defence policy in Asia since 1945 – which is the maintenance of forward-deployed forces to guarantee America’s involvement in significant regional developments.¹⁴ In March 2012, a U.S. Congressional Research Service Report indicated that the “the

Administration's increased emphasis on the Asia-Pacific region appears to be more of a change in means than a change in policy goals ... underlying much of the Obama policy is the long-standing challenge of managing tension in Sino-U.S. relations while seeking to deepen China's integration into the international community."¹⁵

The rebalancing strategy is concerned with the constraintment of China. It involves a group of states defending their collective interests and threatened by China, which has become increasingly powerful and assertive. Currently, this diplomatic strategy is backed up by American military power to make it effective given China's success in preventing the coalition of states that have staked their respective claims in the South China Sea. In concrete terms, the rebalancing necessitates building-up the capacity of the U.S., and its allies to constrain China from using its naval prowess and diplomatic clout to alter the existing distribution of power and influence globally, especially in the Asia-Pacific region.¹⁶ A key element is the formation of a major coalition of states to counter China's unrestrained and aggressive moves in the region.¹⁷

The strategic rebalancing policy addresses two broad problems generated by China's emergence as a major power in East Asia:¹⁸ namely: 1) how to deter Chinese destabilizing efforts in East Asia; and 2) how to encourage China to contribute to multilateral global governance particularly in preventing nuclear proliferation, climate change and international financial instability. A 2013 study of the strategic rebalancing to Asia noted: "...U.S. policy would focus on strengthening security relations with key allies and others while treating Beijing as an occasional collaborator in addressing regional and global problems, especially in the economic sphere."¹⁹

The Trump Administration, however, has altered the Obama Administration's constraintment policy on China by treating it a strategic competitor rather than a responsible stakeholder. During the Obama Administration, the strategic rebalancing policy was implemented as a multifaceted strategy that incorporated elements that were aimed to prevent China from altering the *status quo* (constraintment or stick strategy), but at the same time to foster diplomatic and economic interactions (engagement or carrot policy) with China in order to avoid a major strategic rivalry with this emergent power.²⁰ It was also aimed to maintain the balance of power by assuring allies of American strategic presence in the region through the general improvement of U.S. power projection capabilities in the Western Pacific. The rebalancing policy accepted the possibility of American leadership in the Asia-Pacific region that will be maintained by a multi-dimensional, less confrontational and above all, more balanced multinational power sharing with responsible stakeholders like Japan, India and China.²¹

The Trump Administration, however, has discarded this concept of power-sharing with China. This is because it saw China's expanding com-

prehensive capabilities in terms of: a) undermining America's role as the off-shore strategic balancer in the Asia-Pacific region; b) exacerbating old territorial disputes, and contested historical issues; and c) flaunting to Washington that unchallenged U.S. military dominance in the region is about to end because of China's emergence as a great power in East Asia. For the Trump Administration, maintaining American primacy in the Indo-Pacific region requires doing away with any delusion of integrating China into the liberal world order. This is because it sees China's actions and goals as the major destabilizing element in the Indo-Pacific region. This leaves the U.S. no choice but to compete, deter and win in this competitive environment.²²

The Trump Administration replaced its predecessor's carrot and stick approach with an outright balancing strategy that involves: a) challenging China's assertive behaviour as an emergent power in the Indo-Pacific region; b) maintaining the regional balance of power that tilts towards the U.S.; c) supporting countries that have competing territorial claims with Beijing as a means of confronting the geostrategic challenge posed by a more assertive and powerful China; and d) preparing a strategic response to defeat China's growing anti-access and area-denial (A2/A2) capabilities. Consequently, it has put the U.S. in a head-long and protracted comprehensive competition for power and influence with China in the Indo-Pacific region.²³

America's strategy is to manoeuvre this competitor into an unfavourable position, frustrate its efforts, preclude its options while expanding the U.S.', and forcing it to confront the possibility of military conflict under adverse conditions.²⁴ The Trump Administration's policy of engaging China in a strategic competition will set back the hands of time to the U.S.-Sino conflict in the early years of the Cold War, when American and Chinese values, interests and policies were simply adversarial without any convergence. However, this 21st Sino-U.S. competition is different because both countries' materiel/technological capabilities and global reach are considerably greater than they were in the 1950s.

3. From Strategic Pivot to Rebalancing

The U.S. pivot to Asia was announced at the time when China loomed large because of its naval build-up and aggressiveness in the South China Sea. Since 2010, the South China Sea has become a strategic bone of contention between the U.S. and China. The stretch of maritime territory from the Yellow Sea through the East China Sea, and down to the Strait of Taiwan towards the South China Sea is part of the first-island-chain that forms the front line of China's naval defences. By dominating these waters, China expands its security perimeter and reinforces its influence over these crucial sea lines of

communication (SLOC) linking the Indian and the Pacific Oceans. China's objective is to project its naval power into the far seas or the maritime areas adjacent to the outer rims of the first-island-chain that includes Japan, Ryuku Islands, Taiwan and the Philippines and extends to the cold waters of the north Pacific.

The projection of Chinese naval power in these maritime areas will enable the People's Liberation Army's Navy (PLAN) to respond rapidly to diverse threats originating from the far seas. The PLAN can also protect China's economic interests in transiting through the far seas, and to dissuade potential adversaries operating in the far seas from intervening in contingencies involving the country.²⁵ Moreover, China's extensive economic links with its neighbours, which are militarily weak vis-à-vis the People Liberation Army (PLA), and its participation in several regional forums make an outright balancing or containment policy an expensive and difficult U.S. grand strategy for the region.²⁶

The bottom line of the strategic rebalancing was articulated by former President Obama during the 2016 ASEAN summit in Laos: "Our position is stronger and sends a clear message that as a Pacific nation we're here to stay."²⁷ Accordingly, this pronouncement was predicated on three important features of the policy: a) strengthened American military posture as the fundamental component to reassure allies and to boost U.S. deterrent capability against China in a volatile regional security environment; b) vigorous U.S. participation in East Asian regional organizations such as the ASEAN, ASEAN Regional Forum, East Asian Summit, etc.; and c) ensured U.S. economic leadership in East Asia through the Trans-Pacific Partnership (TPP) that was first initiated by the Bush Administration in 2008.

3.1. Strengthened American Military Posture in East Asia

The strategic rebalancing policy came not long after the second worst economic recession in American history (the first was the Great Depression of the 1930s) which began in 2008, and the proposed one trillion dollar reduction in U.S. defense spending over the next ten years. On the one hand, these developments created the perception that the U.S. was a declining power. China, on the other hand, weathered the global financial meltdown better than the U.S. did. Consequently, China became assertive in its international interactions, and invested in new military hardware to counter the U.S. forward-deployed forces in East Asia. The Obama Administration knew fully well that American military posture in the region is crucial to the U.S. as an offshore strategic balancer. The U.S., to boot, must show to its allies its preponderance as a Pacific power. Hence, the Pentagon was tasked to operationalize the military component of the rebalancing strategy to make

sure that the U.S. remains the primary guarantor of regional security for decades to come.²⁸

Basically, the strategic rebalance required reinforcing the Seventh Fleet to expand American strategic footprint from Northeast Asia to Southeast Asia and to build up the capacities of the small states around China to protect their territorial rights. The first component involved shifting 60% of the U.S. Navy's ships to the Asia-Pacific, primarily its six aircraft carriers, cruisers, destroyers and submarines. As part of this effort, the Pentagon replaced the *U.S.S. George Washington* with the newer *U.S.S. Ronald Reagan*. It will also position its most modern air-operations-oriented amphibious assault ship, the *U.S.S. America* to the region by 2020 – deploy two additional Aegis-capable destroyers to Japan; and home-port all three of its newest class of stealth destroyers, the DDG-1000, with the Pacific Fleet.²⁹ The Pentagon also plans to station the latest F-35 aircraft and two additional Virginia-class attack submarines in the Pacific.³⁰ Likewise, it will utilize the F-22, P-8A Poseidon maritime reconnaissance planes, V-22 Ospreys, B-2 bombers, advanced undersea drones, the new B-21 long-range strike bomber, and state-of-the-art tools for cyberspace, electronic warfare and space.³¹

Interestingly, the Pentagon has allowed the U.S. Third Fleet greater latitude to operate west of the International Date Line. This enables the San Diego-based Third Fleet to send more ships to East Asia which is outside its normal theatre of operations and to sail alongside the Japan-based Seventh Fleet.³² In April 2016, the Third Fleet deployed three Arleigh Burke-class destroyers to operate in the West Pacific as a surface-action group under the Third Fleet Forward Initiative.³³ In the future, more Third Fleet ships will be deployed in East Asia to conduct various maritime operations.³⁴ This massive deployment of air and naval assets in the West Pacific will allow the U.S. forces to “offset advanced A2/AD weapon systems proliferating in maritime Asia.”³⁵ It will also ensure U.S. military primacy in the Western Pacific by reducing the effectiveness of the PLAN's A2/AD. This thrust clearly pursues the deterrent/defensive role of U.S. forward-deployed forces in East Asia since the beginning of the 20th century – to prevent the rise of a hegemon that could constrain America's political, economic, and security interest in the Pacific.³⁶

The Pentagon has restructured the deployment of U.S. forward-deployed forces from Northeast Asia to Southeast Asia to make them more geographically distributed, operationally resilient and politically sustainable. In this connection, the U.S. Navy has deployed its littoral combat ships (LCS) in Singapore and has negotiated with seven Southeast Asian countries for port calls.³⁷ The Pentagon will likewise deploy the Mobile Landing Platform (MLP) in Southeast Asia for the Seventh Fleet to carry out counter-piracy operations and disaster relief missions. The U.S. has also boosted its bilateral alliances with the Philippines and Australia. The U.S. signed the Enhanced

Defense Cooperation Agreement (EDCA) with the Philippines and the Force Posture Agreement (FPA) with Australia. These agreements have the express goal of rotating naval ships and marines in Southeast Asia for expanded training with security partners.

The rebalancing strategy necessitated fortifying the defence capabilities of American allies to turn them into the bedrocks of the region's stability and security. To make its bilateral alliances relevant, the U.S. took three major steps:³⁸ First, it assured its allies of continued U.S. strategic commitment to East Asia by maintaining a significant force presence in the region, and actually increasing its military capacity by 2020. Second, it encouraged allies to collaborate more systematically and effectively beyond the traditional bilateral alliance network. Third, it urged its allies to engage in security partnerships and military capacity-building measures beyond the U.S. orbit of formal regional alliances but in ways meriting American support.

3.2. Vigorous U.S. Participation in East Asian Regional Organizations

Another important feature of the rebalancing strategy is the active American participation in Asian regional organizations specifically in the ASEAN. The ASEAN-constituted organizations such as the ASEAN Regional Forum (ARF), the ASEAN Defence Ministers' Meeting, and the East Asian Summit (EAS) are the key players in the rebalancing strategy. Time and again, the U.S. emphasizes that it has a "strategic stake" in the peaceful resolution of the South China Sea dispute, as well as in the freedom of navigation, unimpeded legal commerce, and regional peace and stability, non-proliferation of weapons of mass destruction (WMD), and maritime security. Although not a claimant state in the maritime dispute, the U.S. supports the ASEAN's position that the territorial row be resolved peacefully through the United Nations Convention on the Law of the Sea (UNCLOS) and the 1976 ASEAN Treaty of Amity and Cooperation. This is clearly aimed at China which is developing its A2/AD capabilities to prevent U.S. forces from entering its operational territory and limit the Seventh Fleet's freedom of action in the disputed waters.

In November 2012, then President Obama visited three continental ASEAN countries, namely Cambodia, Myanmar and Thailand. Consequently, high-ranking U.S. officials urged their ASEAN partners to formulate a formal code of conduct in the South China Sea to resolve the maritime disputes.³⁹ The following year, the rebalancing strategy suffered a setback when the former president cancelled his long-planned visit to Brunei for the ASEAN related meetings (ASEAN-US Summit and the East Asian Summit) and to Indonesia for the APEC Economic Leaders Meeting. Then U.S. Secretary of State John Kerry reassured the ASEAN leaders that the president's absence

was due to political exigencies in Washington and that the ASEAN is a top priority for the U.S.⁴⁰

In the latter part of 2014, the Obama Administration rebounded as senior American officials reiterated at multilateral ASEAN-based meetings the importance of the regional organization to the U.S. rebalancing policy. Both President Obama and Secretary Kerry believed that through ASEAN, all states “big and small” in the region could work together for Asia’s security and prosperity. Unfortunately, a U.S. proposal that claimant states “freeze” all efforts to alter the *status quo* on the South China Sea islets they control was not endorsed in the November 2014 EAS meeting.⁴¹ This, however, did not deter the Obama Administration from pushing its maritime agenda in other regional forums. The following year, then Defense Secretary Ash Carter and U.S. Assistant Secretary of State for Asian and Pacific Affairs Daniel Russel were highly visible at key regional meetings as they pressed for a “rules-based system” through a formal code of conduct for negotiating and resolving the dispute.⁴²

Then President Obama maintained this position during the November 2015 Asia-Pacific Economic Cooperation (APEC) Meeting in Manila and at the annual ASEAN leaders’ summit in Kuala Lumpur the following week.⁴³ At these gatherings, he commended “ASEAN’s vital role in advancing a rules-based order for the Asia-Pacific and for working to ensure that all nations uphold international laws and norms, including the peaceful resolution of disputes, freedom of navigation, and freedom of overflight.”⁴⁴ On their part, the maritime states particularly the Philippines and Vietnam welcomed the U.S. position. These countries would not buckle under Chinese political pressure and military arm-twisting in a way that would undercut their Freedom of Navigation (FON) in the South China Sea and force them to relinquish the ASEAN’s *de facto* economic and diplomatic autonomy by joining a China-led “Community of Common Destiny.”⁴⁵

3.3. Ensuring American Economic Leadership in East Asia

The last significant feature of the strategic rebalancing to Asia is the assertion of U.S. economic leadership in the region through the TPP, a global trade pact initiated by the George P. Bush Administration in 2008. High on the priority list of the Obama administration, the TPP is the rebalancing policy’s economic component that creates a multi-country consortium that includes Canada, Chile, Mexico, New Zealand, Singapore, Australia, Brunei, Malaysia, Vietnam, Japan and the U.S. In general, the agreement aims to eliminate trade barriers and streamlines trade, thus promoting foreign investments. Likewise, it simplifies investments rules and customs procedures, and institutionalizes an international dispute resolution system. It also intends to minimize corruption

and set standards for intellectual property rights and government procurement, including the strongest worker and environmental protection of any trade agreement in history.⁴⁶ All member-states are required to adopt financial and social reforms in the management of government-owned enterprises, trade liberalization, environmental protection, and human rights-related issues such as labour relations and human trafficking.⁴⁷

The TPP has two salient objectives.⁴⁸ The first is to produce a “gold standard” trade agreement to counter the low-value bilateral and regional deals negotiated and forged by several East Asia countries in recent years. The second is to ensure that the Asia-Pacific remains a viable economic unit for the U.S. Both goals are to thwart any economic integration projects initiated and crafted by China to exclude the U.S. from the region. More significantly, the TPP is designed to enhance U.S. access and leadership and to deepen as well the interdependence of the U.S. economy and the economies of its regional allies and security partners.

4. Blunting the Rebalancing Strategy: The BRI

Despite its reassuring effect on U.S. allies, the rebalancing policy hardly intimidated China. Instead, China challenged American strategic superiority by fortifying several land features in the South China Sea, conducting large-scale military exercises, engaging American allies in dangerous stand-offs, using coast guard vessels to assert China’s territorial claims, expanding the naval activities of the PLAN, and hastening the modernization of Chinese air and naval assets.⁴⁹ The deployment of more American forward-deployed forces so far has not deterred China from its expansionist moves. From China’s perspective, this course of action is worth pursuing since the U.S. is not willing to risk war despite growing Chinese strategic challenge against the U.S. Seventh Fleet and American allies. For China, territorial expansion is vital to its interests even to the extent of using force. For the U.S., the credibility of its defence commitments to its allies is important but not necessarily crucial since Chinese aggression does not directly threaten vital American security interests.

Furthermore, as a traditional and leading practitioner of economic statecraft or geo-economics, China uses its massive wealth to advance its geopolitical goal of blunting the Obama Administration’s rebalancing strategy to Asia.⁵⁰ China’s rapid economic growth and massive foreign exchange reserve have enabled it to reshape regional trade and investment patterns, and to influence geo-strategic developments in East Asia. China has relied on its economic power as assurance measures and inducements to neighbouring states to cooperate with it, but also used coercive economic measures like trade sanctions to punish countries opposing its policies.⁵¹ Confronted by

growing American naval presence in the Western Pacific, China pursues its maritime expansion by outflanking and blunting the U.S. rebalancing policy in the Asia-Pacific region through its huge foreign aid and several infrastructure projects under the umbrella of the Belt and Road Initiative (BRI).

The BRI involved the building of comprehensive connectivity of countries and regions through infrastructures such as roads, railways and ports as well as communications and energy projects.⁵² The BRI seeks to connect regions and countries through the following: (1) a route stretching from Central Asia west through Russia to the Baltic; (2) a historical route starting from Central Asia turning towards Western Asia, passing through the Persian Gulf on its way to the Mediterranean Ocean; and (3) a route that passes through Southern China into Southeast Asia then leads through South Asia into the Indian Ocean.⁵³ To realize BRI's goal of greater connectivity, President Xi made the following proposals:⁵⁴ 1) China will provide more international public goods through connectivity development to its Asian neighbours; 2) economic cooperation would be provided to both land and maritime projects; 3) cooperation would be promoted regarding infrastructure development; and 4) China would commit US\$40 billion to establish a Silk Road Fund.

China has utilized infrastructure investments as an important foreign policy instrument in strengthening its economic relations with its neighbouring states.⁵⁵ Through the BRI initiative, as well as through expanding foreign investment and greater influence over its neighbouring countries in particular, and to the large international community in general, China is also aiming to deal with the possible slowdown in the economy.⁵⁶ BRI is also intended to shape its peripheral environment into forms favourable to China's vital interests. More significantly, this initiative is a manifestation of China's plan to effect major changes in the current international order in ways that would serve the country's long-term strategic and diplomatic goals.⁵⁷

In 2015, Foreign Minister Wang Yi announced that Chinese diplomacy would give full support to the promotion of the BRI.⁵⁸ As a tool of economic statecraft, the BRI enables China to use its massive financial resources and networks and human interchanges to create a more comprehensive economic and diplomatic relations with countries both in Europe and Asia. It also facilitates China's utilization of existing regional organizations to the greatest extent possible for negotiations and coordination for enhancing greater connectivity. Observing the geopolitical goal of this initiative, Professor Graham Allison notes:

...BRI is about much more than simply rechanneling excess industrial capacity. Just as the original Silk Road not only spurred trade but also stimulated geopolitical competition, BRI will allow China to project power

across several continents. BRI's promise to integrate the countries of Eurasia reflects a vision in which the balance of geostrategic power shifts to Asia.⁵⁹

Through the BRI, China outflanked the Obama Administration's rebalancing strategy as it directed towards the Eurasian region away from the Pacific, thus avoiding a direct confrontation with superior American maritime capabilities. This enables China to project its influence over its western periphery where U.S. power and interest are limited. This provides China the opportunity to seek a sphere of influence in a way analogous to British political geographer's Harold Mackinder's early 20th century thesis that the quest for global dominance starts by occupying the Eurasian heartland.⁶⁰ This will enable China to reap two major strategic advantages:⁶¹ a) expanding China's strategic manoeuvring space into Central Asia; and b) minimizing friction in U.S.-China relations.

The BRI, however, is a two-edge geo-political sword. It expands China's influence into Eurasian sub-continent away from the Pacific. On the other hand, it also projects Chinese influence into the east becoming China's 21st century Marshall Plan to blunt the U.S. strategic rebalancing to the Western Pacific.⁶² This is because it provides China an effective tool to drive a wedge between countries and within countries that it sees as having impact on its core interests such as Taiwan, Tibet and the South China Sea, or against any coalition of states that is challenging its expansionist agenda in East Asia. Furthermore, the BRI also strengthens China's hand in undermining military existing alliances and the current regional order while empowering it to create new power relationships and arrangements that exclude the U.S.

Through the promotion of this initiative, China demonstrated its goal to promote economic development over the 21st century Maritime Silk Road, which begins from its coastal provinces through the South China Sea to the South Pacific.⁶³ Although the BRI seems to provide public goods to the region by improving land and sea infrastructure, it also allows China to utilize that infrastructure network strategically and to exclude other countries.⁶⁴ Furthermore, the idea of enhancing the connectivity of the Indian Ocean is compatible with China's strategic interests of securing energy, solving the Malacca Dilemma, and securing the safe destinations for its investment capital, and more importantly, to lay down the ground work for the building of a regional order advantageous to China's expanding interest in the Indo-Pacific region.⁶⁵

5. Pondering on the Rebalancing Strategy

The Obama Administration's rebalancing policy is congruent with the constant U.S. strategic agenda in East Asia since the beginning of the 20th – to prevent the rise of a regional hegemon that could threaten American

political, economic and security interests. It is incumbent upon the incoming administration to formulate a new grand strategy, bereft of buzzwords like “pivot” or “rebalancing”, to make China aware that challenges to the U.S. role as East Asia’s offshore balancer will have grave strategic and diplomatic consequences despite the two countries’ interdependent economic relations. This strategy must enable the U.S. to deal with China from a position of strength based on American forward-deployed forces, regional alliances, partnerships and participation in regional multilateral organizations.

In the first months of the Trump Administration, White House officials examined in depth America’s strategic interests and involvement in East Asia – including some policies it inherited from the Obama Administration. Conscious that certain strategic developments in the region could harm U.S. security interests, the Trump Administration found it prudent to maintain and enhance U.S. strategic engagement in the region. Administration officials carefully weighed the Obama Administration’s calculation that the Asia-Pacific has become “a key driver of global politics” and “the rebalancing is a means for a sustained and coherent U.S. long-term strategy toward the region.”⁶⁶ This assessment demands asserting America’s leadership role in Asia and projecting its naval power to counter-balance China’s pervasive regional influence.⁶⁷

The Trump Administration observed that Asia’s economic dynamism generated by China’s emergence as a great power in East Asia co-exists with a number of specific security challenges. These include flashpoints such as Northeast Asia and the Korean Peninsula, the thorny China-Taiwan relationship, and the tense South China Sea imbroglio that involves unresolved territorial disputes, competition to secure marine resources, and freedom of navigation issues that threaten regional stability and American security interests.⁶⁸ It became aware that the prudent conduct of U.S. foreign policy in Asia must consider the broad trends of the region’s economic dynamism, China’s rising power, and its predecessor’s rebalancing strategy.

6. From Rebalancing to Strategic Competition

In 2013, in reaction to the Obama Administration’s strategic rebalancing and the Philippines’ filing of a case against China in the Permanent Court of Arbitration (PCA) of the United Nations Law of the Sea (UNCLOS), China began land reclamation activities on several low-tide elevations it occupies in the South China Sea. In just a year, China has built more than 10 square kilometres of reclaimed land on seven sites across an archipelago whose total land area had been originally approximated at four square kilometres.⁶⁹ Since 2015, it has constructed an expanded airstrip, a multilevel military facility, surveillance towers with possible weapons towers, and a deep water

port on the reclaimed land features.⁷⁰ The massive constructions on Subi and Mischief Reefs as the southern entrance have been widened probably to accommodate a naval base.⁷¹ Through these reclamation projects in the Spratlys, China creates new facts on the ground (and the water), sets up the playing field, and psychologically transforms the strategic calculation of the other claimant states. In the process, it shifts the propensity of things in favour of Chinese dominance (of the South China Sea) by manoeuvring the strategic configurations of the region.⁷²

As a matter of principle, the U.S. opposes “countries militarizing artificial islands and enforcing excessive maritime claims.”⁷³ At the tail end of the Obama Administration, then Defense Secretary Carter emphatically declared that the “U.S. will continue to fly, sail and operate where ever international law allows, so that everyone in the region can do the same.”⁷⁴ Secretary Mattis reiterated the same sentiment: “We will continue to fly, sail and operate wherever international law allows, and demonstrate resolve through operational presence in the South China Sea and beyond.”⁷⁵ Like his predecessor, Secretary Mattis in espousing the freedom of navigation said “the U.S. remains committed to protecting the rights, freedoms and lawful use of the sea, and the ability of countries to exercise those rights in the strategically important East and South China Seas.”⁷⁶ He added that “freedom of navigation in the region is essential to economic health globally, and must be protected.”⁷⁷

Consequently, in May 2017, the U.S. Navy conducted three separate Freedom of Navigation (FONS) patrols near Chinese-occupied features in the South China Sea. The *USS Dewey* sailed near Mischief Reef on 25 May. In July, the *USS Stethem* navigated the Paracels to challenge the excessive maritime claims by China, Vietnam and Taiwan. This was followed by two U.S. B-1 Lancer bombers from Guam that flew over the South China Sea as a freedom of navigation flight. In August, the *USS John S. McCain* conducted another FON off Mischief Reef despite warning from a Chinese frigate asking the ship to leave Chinese waters.⁷⁸ The U.S. Seventh Fleet’s conduct of FONs in the South China Sea reflected a consistency with the Obama Administration’s strategic commitment to reinforce the rules-based order.⁷⁹

During the Shangri-La Dialogue in Singapore in June 2017, Secretary Mattis echoed all the themes stressed by previous administrations (especially the Obama Administration) on “the U.S. being a Pacific power, and the Asia-Pacific region being a priority for Washington.”⁸⁰ He declared that: “The United States is a Pacific nation in both geography and outlook.”⁸¹ He clearly stated that “the American Administration is demonstrating the priority we place on relationships in the Asia-Pacific region, a priority region for us.”⁸² Emphasizing that the U.S. has “an enduring commitment to the security and prosperity of the region,”⁸³ he affirmed that “security is the foundation of

prosperity, and the U.S. will continue to strengthen (its) military capabilities in the region. The U.S. military is proceeding with the rebalance of military forces to the Pacific as six out of the ten U.S. Navy ships, 55 percent of the Army, and two-thirds of the U.S. Marine Corps are assigned to the U.S. Pacific Command.⁸⁴ The majority of the Navy and the Air Force are deployed in the Asia-Pacific region.⁸⁵ Curiously, Secretary Mattis also made this veiled warning to China: “We oppose countries militarizing artificial islands, and enforcing maritime claims unsupported by international law. We cannot and we will not accept unilateral, coercive changes to the *status quo* (in the South and East China Seas).⁸⁶

During the same event, the chairman of the U.S. Joint Chief of Staff General Joe Dunford, eased the Asian nations’ anxiety about perceived U.S. retreat from the region by commenting that U.S. military presence in the Asia-Pacific region is healthy, robust and valuable.⁸⁷ He also confirmed that a majority of American ships and air assets are being deployed in the Pacific, specifically the newest and most capable platforms in the region such as F-22 Raptors, F-35 Lightning II joint strike fighters, and E-8 Poseidon reconnaissance planes.⁸⁸ Shortly after, the Department of Defense released its annual report which concluded that with its increasing expansion into the South China Sea, China will be able to use its reclaimed land features in the disputed waters “as persistent civil-military bases to enhance its long-term presence in the South China Sea significantly.”⁸⁹ All these developments support the view that sustaining American strategic presence in the Asia-Pacific and working with allies and security partners enable the U.S. to influence China’s choices and make it pay a price in its transgressions against international laws and norms.⁹⁰

7. Preparing for the Strategic Competition

In his 10 November 2017 speech during the Asia-Pacific Economic Community (APEC) summit in Hanoi, Vietnam, President Trump criticized China from “using its economic inducements, and penalties, influence operations, and implied military threats to persuade other states to heed its political and security agenda.”⁹¹ On 18 December 2017, the Trump Administration released the “*National Security Strategy (NSS)*,” which provides the overview for his administration’s national security threats and the blueprint on how it will address these threats. In January 2017, the DOD came out with the unclassified portion of the “*National Defense Strategy (NDS)*,” which describes how the defence department’s strategic goals and capabilities will be directed to support the *NSS* objectives.

The *NDS* characterized China as a revisionist power whose military modernization agenda seeks “Indo-Pacific regional hegemony in the near

term and the displacement of the U.S. to achieve a global preeminence in the future.” It argues that there is a real possibility that in the near future (likely decades) China may be able to surpass the U.S. and then harness its capital to develop superior military technology that can enable it to overthrow the current international system. These two documents are open declarations by the U.S. to confront China in a highly competitive great game in the Indo-Pacific region.⁹² A dynamic great power game between the U.S. and China will generate a very volatile regional security environment. Pushing the U.S. out of the Indo-Pacific region is no easy task, and the military component of China is primarily naval in nature.⁹³ The U.S. has observed that in recent years, China has deployed its growing military capabilities in an effort to exert control over virtually all of the waters and resources off its eastern seaboard. The U.S., however, does not intend to be displaced by China’s growing naval power and thus, American sea-power will have to take the responsibility of defeating China should it choose the path of armed conflict.⁹⁴

To prevent China from pushing the U.S. out of the region, the *NSS* provides for the deployment of robust and powerful forward-deployed American forces, the build-up of its alliances, and the need to help build its security partners’ naval capabilities. The *NDS* categorically states the need for the U.S. to prepare for war to deter conflict in three key regions: Indo-Pacific, Europe and the Middle East Asia.⁹⁵ In the Indo-Pacific region, the *NDS* calls for the U.S. to strengthen its alliances and partnerships in the region to a networked security architecture capable of deterring aggression, maintaining stability, and ensuring free access to common domains.⁹⁶ It urges the U.S. to bring together bilateral and multilateral security relationships to preserve the free and open international system.⁹⁷

The two documents have been described as realist, Darwinian, and pessimistic as they advance the view that “great power competition has returned with China and Russia beginning to reassert their influence regionally and globally.”⁹⁸ The *NSS* and *NDS* point out that great power competition, not terrorism, has emerged as the central challenge to U.S. security strategy and prosperity. Both documents claimed that two regional powers, China and Russia, want to shape a world consistent with their authoritarian values, and in the process, replace the free and open order that has enabled global security and prosperity since the Second World War.⁹⁹

Earlier in November 2017, the Quadrilateral Security Dialogue (QUAD) was revived in Manila on the sides of the East Asian Summit (EAS). Upon the initiative of the U.S. and Australia, it took shape again as a four-cornered dialogue, emerging from a phoenix-like creature after a 10-year dormancy signalling the first multilateral pushback against an expansionist China. The original QUAD was formed on the sides of the ASEAN Regional Forum

(ARF) Summit in Manila in 2007.¹⁰⁰ Its goal was to provide a platform for these four Indo-Pacific states to exchange views on regional security issues with a special focus on the rise of China and its implication for Asian Security.¹⁰¹ Unfortunately, the original QUAD experienced a premature and sudden death when the Kevin Rudd-led Australia succumbed to Chinese diplomatic pressure to withdraw the country from the association, and as the Indian government tried to earn Chinese goodwill as it kept Japan out of its annual bilateral naval exercise with the U.S.

The QUAD's revival stemmed from the four members' consensus that Chinese behaviour since 2008, with regard to territorial and maritime disputes in the South China Sea, the terms and strategic impact of BRI, the lack of reciprocity in economic relations, and the use of economic leverage, has increased concerns among their respective governments.¹⁰² There was a unanimity among the four states that while Beijing has expected reassurance and wants others to respect its sensitivities and aspirations, it hasn't returned the favour.¹⁰³ The revival of the association was meant to send a diplomatic warning to China that it should not underestimate its members' legitimate concern about its strategic behavior in recent years.¹⁰⁴ The QUAD aims to impress on China that there is "strength in numbers."¹⁰⁵ These four states reject any suggestion that the QUAD will become an Asian North Atlantic Treaty Organization (NATO) or an alliance in the making. However, they believe that if they would not collectively confront China's efforts to effect a revision of the current territorial and maritime arrangement, the next five years could enhance China's geo-strategic position. This means the unravelling of the current liberal international order in the Indo-Pacific region and its replacement by a Chinese-led illiberal/authoritarian regional order.¹⁰⁶

The Trump Administration's decision to engage China in a strategic competition, and the revival of the QUAD led to the use of the geostrategic term Indo-Pacific to replace the old Asia-Pacific. The term is now increasingly used to replace the old geopolitical term "Asia-Pacific". Consequently, the common term "Asia-Pacific" is now hardly mentioned and instead, the term "Indo-Pacific" is commonly used in policy circles. Increasingly, the international relations of the Asia-Pacific are now connected with the Indian Ocean part of Asia creating a larger and more dynamic regional system. Rather than be restricted by the old term Asia-Pacific region, the term Indo-Pacific region underscores the expansion of the ongoing competition between China and the U.S. and the other members of the QUAD.

In the first four months of 2018, the Trump Administration emphasized its characterization of China as a threat to U.S. interests.¹⁰⁷ This was publicized during his first State of the Union Address as President Trump maintained that China is a threat that challenges U.S. economic and military interests.¹⁰⁸

8. Conclusion

The 2016 election of Donald Trump did not spell the end of the Obama Administration's strategic rebalancing to Asia. For the Trump Administration, the Asia-Pacific remains a top security priority for the U.S. because of North Korea's nuclear weapons program and more importantly, China's naval build-up and island-building activities and militarization of the South China Sea that threatened not only the freedom of navigation but also the rules-based international order. It has directed the U.S. military to proceed with the rebalancing of its forces and their capabilities to the Asia-Pacific region. These developments indicate that despite its initial opposition to the Obama Administration's rebalancing policy to Asia, the current administration realizes that on the basis of geography, interests and values, the U.S. is a Pacific power which plays an important role in shaping the future of this dynamic region.

The Trump Administration's current foreign policy on the Indo-Pacific region reflects both continuity as well as discontinuity with the Obama Administration's rebalancing strategy. On the one hand, the Trump Administration's policy towards Asia reflects continuity as high-ranking administration officials visited the region and with President Trump receiving the leaders of several East Asian states at the White House. These were carefully calibrated policies taken by the current administration to send a reassuring signal that U.S. engagement with the region would be built upon the foundation laid down by the Obama Administration.

On the other hand, the Trump Administration foreign policy also reflects discontinuity as it aimed to engage China in a long and tense strategic competition. By labelling China as a competitor, the Trump Administration has discounted any possibility that China will evolve as a "responsible stakeholder" or a "normal great power". Rather, from Washington's perspective, China's current diplomatic, economic, and strategic efforts are creating a Sinocentric East Asia where the U.S. will be rendered as a pariah. Consequently, the Trump Administration is pushing back against China fully aware that the U.S. still possesses substantial military and economic capabilities that are far greater than this emergent and assertive power. The Trump Administration's policy of engaging China in a strategic competition will set back the hands of time to the U.S.-Sino conflict in the early years of the Cold War, when American and Chinese values, interests and policies were simply adversarial without any convergence. However, this 21st Sino-U.S. competition is different because both countries' materiel/technological capabilities and global reach are considerably greater than they were in the 1950s.

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In Praise of China: China in the Eyes of Pakistani Diplomats

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Abstract

This article reviews the writings on China by four former ambassadors of Pakistan, three of them ambassadors to China. Their writings display a remarkably positive image of China. Although written usually after retirement of their diplomatic service, their views of China have long been shaped when they were in the service. In this sense, these writings portrayed, and indicated, at least among a section of the professional diplomatic corps of Pakistan, how Pakistani elite understand China. In turn, this also reflects, at a wider level, the positive discourse on China among the influential opinion makers in Pakistan. This article adopts the constructivist approach, which gives theoretical importance to ideational factors in the understanding of a country's foreign policy. Pakistan's China policy, while on the one hand driven by realist and geopolitical factors, is also shaped by a positive discourse on China, in which this article examines through the writings of several former diplomats of Pakistan.

Keywords: *Diplomats, Pakistan-China relations, constructivist approach, China-Pakistan Economic Corridor*

1. Introduction

Apart from the somewhat questionable "alliance" relationship with North Korea (based on the 1961 Sino-North Korean Mutual Aid and Cooperation Friendship Treaty), China maintains a policy of no alliance, which is in contrast to the extensive alliance systems that the United States has constructed since the end of the Second World War. However, that does not mean China does not have close relationships with several countries that can be seen as "allies", perhaps not in a purely military sense, but in an overall political and strategic sense, in which the foreign policies of China and these "allies" are closely aligned for a sustained period of time. Russia and

Cambodia can count at the moment as some of China's closest friends and "allies". But both came to be seen so only in the past decade or two, in which the strategic, and sometimes also economic, interests between these countries and China largely converged. In the case of Pakistan, another country generally seen as an "ally" of China, it has maintained a very positive, one can even say an unusually positive, relationship with China, spanning for almost more than half a century. Relations between Pakistan and China constitute what is known as "All-Weather Strategic Partnership". In Pakistan, no matter whichever government is in power (military or civilian, or whichever political party), China remains the topmost priority for Pakistani foreign policy. For China, whether it was the Maoist period or the era of "Reform and Opening Up" since late 1970s, there has always been very close strategic relationship with Pakistan. In recent years, the relationship has moved beyond purely the strategic dimension; economic cooperation now has also intensified. The China-Pakistan Economic Corridor (CPEC) is a huge bilateral economic development project that will be crucially important for the economic take-off of Pakistan.

Most existing studies of Pakistan-China relations utilize a geopolitical or realist perspective (for instance, see Syed, 1974; Small, 2015; Ali, 2017), focusing on India – the common adversary of China and Pakistan – as the major factor in explaining China-Pakistan strategic relationship. While the "India Factor" is undeniably the most important consideration in understanding this relationship, it is to be suggested here that this realist perspective is to be supplemented by a constructivist perspective, in which influences of ideational factors such as identities, discourses, narratives, worldviews, and others also matter in the formulation and shaping of foreign policy. It is to be contended here, by examining the writings on China by some of Pakistani eminent professional diplomats, that their very positive views of China reinforce Pakistan's China policy. Geopolitical and ideational factors are mutually constitutive in the shaping of Pakistan-China relations.

2. Pakistani Ambassadors to China

From 1951 until present, a total of twenty Pakistani diplomats have served as ambassadors to China (see Table 1). Three of them: Ambassador Mohammad Yunus, Ambassador M. Akram Zaki and Ambassador Riaz Mohammad Khan, have written extensively about China after retiring from diplomatic services. In addition, Ambassador Syed Hasan Javed, who served as Ambassador to Germany and High Commissioner to Singapore and Mauritius in his career, was posted twice to the Pakistani Embassy in Beijing (1980-1987, 2001-2003). After retirement Javed has also been active in promoting studies of China and the Chinese language in Pakistan, and has written extensively on China.

Table 1 Pakistani Ambassadors to China (1951-2017)

<i>No.</i>	<i>Name of Ambassador</i>	<i>Serving Period</i>
1.	Maj. Gen. N.A.M. Raza	1951-1954
2.	Mr. Sultanuddin Ahmad	1954-1957
3.	Dr. A.M. Malik	1958-1961
4.	Mr. P. A. M. Rashidi	1961-1962
5.	Maj. Gen. N.A.M. Raza	1962-1966
6.	Mr. Sultan M. Khan	1966-1968
7.	Mr. K.M. Kaisar	1969-1972
8.	Mr. Agha Shahi	1972-1973
9.	Mr. Mumtaz A. Alvie	1973-1978
10.	Mr. Mohammad Yunus	1978-1982
11.	Dr. M.A. Bhattay	1982-1986
12.	Mr. M. Akram Zaki	1987-1991
13.	Mr. Khalid Mahmood	1991-1994
14.	Mr. Ashraf Jehangir Qazi	1994-1997
15.	Mr. Inam Ul Haque	1997-1999
16.	Mr. Riaz M. Khokhar	1999-2002
17.	Mr. Riaz Mohammad Khan	2002-2005
18.	Mr. Salman Bashir	2005-2008
19.	Mr. Masood Khan	2008-2012
20.	Mr. Masood Khalid	2013-present

Source: <http://www.pakbj.org/index.php?m=content&c=index&a=show&catid=29&id=32>

Together, these four ambassadors: Mohammad Yunus, Akram Zaki, Riaz Mohammad Khan and Syed Hasan Javed have written extensively about China, reflecting on China’s developmental experiences, economic growth, governance and politics, culture, religion, philosophical worldview, strategic outlook, foreign policy, China’s role in South Asia and Pakistan-China relations. Some have published their memoirs about their China experience, but Pakistan, despite being the “All-Weather Strategic Partner” of China, actually still lacks adequate China expertise in its academia and think tanks, and their writings on China can also be seen as an important “indigenous” source for Pakistani public and elite to understand and know about China, the Chinese people, Chinese culture and China’s foreign policy.

3. Ambassador Mohammad Yunus

3.1. Brief Biography

Ambassador Mohammad Yunus did his Masters in Philosophy and Diploma in Law from Aligarh Muslim University in the year 1948. He started his

career in teaching at Sind Muslim College in Karachi – the former capital of Pakistan, from 1948-1950. He was then selected for ICSUN (Internal Civil Services United Nations) and posted at the UN Secretariat before joining the FSP (Foreign Service of Pakistan). He had an active diplomatic career, from 1952 to 1982, with three different stints in the Pakistani Embassy in Beijing, and also postings in Tehran and the United Nations. His final position before early retirement was as Ambassador to China. After getting his early retirement, Yunus migrated to Canada, did a doctorate in Political Science, and taught for many years at Calgary University.

3.2. *Writings on China*

Ambassador Mohammad Yunus is a prolific writer not just on China but on a number of political, philosophical, and strategic topics, such as Marxism, Islam, Pakistani politics, international relations, and theories of foreign relations. He published three books on China: *Reflections on China: An Ambassador's View from Beijing* (1986); *China: Emergence of a World Power* (1989); and *Awakened China Shakes the World and is Now Pakistan's Mainstay: Memoirs of a Diplomat* (2015). The first two books, however, are hard to acquire and the authors have not been able to obtain them, so the main discussion here is based on the third book (Yunus, 2015), which is partly a memoir, recording his experiences related to China, but also his ideas, analysis and observation about China's rise and implications for Pakistan.

Ambassador Yunus has had extensive diplomatic experiences in China. He was first posted to Beijing in 1953 as a Third Secretary in which he served until 1955. During his first assignment, he worked closely with and earned the trust of the first Pakistani Ambassador to China, Gen. N.A.M. Raza. He recorded his observations of growing China's diplomatic and military confidence, as a newly established power after years of upheaval, in events such as the Korean War, China's growing influence in the Indo-China area and the Geneva Conference in 1954, and the Bandung Conference in 1955 (Yunus, 2015: 30-36). During his first stint in Beijing, he was obviously impressed by the vitality of the New China, and was particularly in awe of the diplomatic wisdom and skills of Chinese leaders such as Zhou Enlai, in which he praised as an "unmatched genius [who] was the product of an exceptionally brilliant mind" (Yunus, 2015: 43). He also declared that "no single statesman did so much for Pakistan in fair and foul weather as Premier Zhou Enlai did" (Yunus, 2015: XV). This was in contrast to Yunus' very critical assessment of American policy, especially American policy towards China, which he saw as self-defeating.

An important bilateral episode during Yunus's first assignment concerned Pakistan's membership in the Southeast Asian Treaty Organization (SEATO).

The memoir revealed that much to the appreciation of Pakistan, China did not hold any grudge in Pakistani membership in this military alliance, with the understanding that the membership was meant to target India rather than China. China also accepted Pakistan's stand on the Kashmir issue, despite India-China relations being buoyant with the rhetoric of *Hindi Chini Bhai Bhai* at that time (Yunus, 2015: 36-38).

Yunus came back to China in 1962 for his second assignment that lasted until 1966, in which he again teamed up with his favourite superior, General Raza, who again returned as Pakistani Ambassador to China in 1962. Both Yunus and Raza were to personally involve and participate in two major events in the middle of 1960s: the China-Pakistan border issue, and the Indo-Pakistani War of 1965. On the border issue, Yunus and Raza were vice-chairman and chairman of the Sino-Pakistan Boundary Commission, the negotiating team created by the Pakistani cabinet, which reached a conclusion with China on Sino-Pakistani border in December 1962, just months after the 1962 India-China border war, and the negotiation was rather smooth and was concluded in less than two months. Yunus, in particular, sensed the eagerness of China to reach an agreement in the wake of the India-China border war, "to show to the world that all border agreements defining the southern fringe of China, including the ones reached with Nepal and Burma, had been amicably finalized except with India implying that India was the only country that was not prepared to be reasonable" (Yunus, 2015: 80). The Sino-Pakistani Boundary Agreement was eventually signed in March 1963, during a visit by Pakistani Foreign Minister Zulfikar Ali Bhutto to Beijing. According to Yunus' memoir, despite the fledgling relationship with China, Pakistani President Ayub Khan instructed Bhutto to take a "moderate tone" as Pakistan was still a defence partner of the United States and wished not to upset US President Kennedy (Yunus, 2015: 95). However, Bhutto very much disregarded the instruction and "launched into a zealous and warm-hearted speech, praising the revolutionary leaders of China and promising an expanding vista of cooperation between Pakistan and China to cover all fields of activity" (Yunus, 2015: 99). After the visit, Yunus observed that "China opened wider the door of cooperation with Pakistan. It was as if the gushing relationship with India under the slogan *Hindi Chini Bhai Bhai* has been replaced by the new slogan 'Long Live China-Pakistan friendship'" (Yunus, 2015: 99-101).

It was the Indo-Pakistani War of 1965 that cemented further the blooming Sino-Pakistani relationship, a relationship characterized as "unwritten alliance" by Yunus. It was this war that disillusioned the Pakistani elite's belief in the military alliance with the United States, and firmly established China as the most reliable partner. Yunus (2015: 84-85) wrote:

I must put here on record the fact that none of its formal treaty allies ever came to Pakistan's help when it needed it most against India. Most friends

looked the other way. That applies particularly to Pakistan's so-called defence alliance with the United States that, when the test came, sought to protect India more than Pakistan.... Pakistan must never rely on the United States siding with Pakistan against India....

By contrast, China's strategic interests have remained quite close to those of Pakistan ever since the Sino-Indian border war in 1962. Pakistan's unwritten alliance with China has come to its support both at crucial junctures and more importantly in the strategic assessment of its adversaries, particularly that of India, Pakistan's main strategic adversary.

Because of the sense of betrayal by the United States, President Ayub Khan came to reassess the strategic importance of China, and undertook a secret trip to Beijing after the war, in October 1965 (still in fear of alarming the United States). Ambassador Raza, Yunus, and a military attaché were the only three embassy personnel who were involved in the planning and execution of this secret visit, without any entourage at all. Khan met with Mao Zedong and Zhou Enlai, and it was also from this secret visit that military cooperation between the two countries began. China offered to freely supply arms to Pakistan for almost a quarter of a century, and provided technical assistance in building Pakistan's defence sectors, which lasts until today.

Yunus left China just when China was starting to engulf itself in the destructive Cultural Revolution, but Yunus continued to observe China from afar, noting the political and foreign policy developments of China such as Mao's power struggles with other leaders, US-China rapprochement, the eventual demise of Mao and his radical followers, the death of Premier Zhou Enlai, and the rise of a new generation of pragmatic leadership under Deng Xiaoping. Yunus was appointed Pakistani Ambassador to China just when China was opening up, in 1978, which provided a big contrast to his earlier experiences in the 1950s and 1960s.

While Pakistan and China remained as close friends and partners, notwithstanding the transition of Chinese leadership from Mao Zedong-Zhou Enlai, to Hua Guofeng, and to Deng Xiaoping, in the late 1970s, it was clear that there would be changes that affected the bilateral relationship too. For instance, under Mao's socialist and revolutionary ideology, China supplied arms and ammunitions to Pakistan, free of charge, for at least two decades, but one of the very first challenges for Yunus as an Ambassador was to handle the requests by China that for now such supplies would no longer be free of charge, and China would charge according to international market rate. Pakistan being a poor country would not be able to suddenly pay for the arms supplied by China, and that Pakistan would also feel apprehensive about whether this signalled a gradual change of strategic direction by China. Ambassador Yunus was able to convince the Pakistani leadership that it was due to Deng's extensive reorganization of the way China did business, rather

than any intention from China to shift its strategic relationship with Pakistan. Both countries eventually agreed to a method of payment instalments by Pakistan (Yunus, 2015: 174-175). Furthermore, to underscore the continuity and strategic nature of the relationship, China and Pakistan worked closely with each other in dealing with the Soviet invasion of Afghanistan, with Pakistan playing a crucial role in funnelling Chinese weapons to the resistance fighters in Afghanistan.

Due to differences with the military government in Pakistan, Yunus eventually opted for early retirement, in 1982, after thirty years of distinguished diplomatic career. He left China with a deep appreciation of the “unwritten alliance” between China and Pakistan, and with the confidence that China was following the correct policies implemented by Deng Xiaoping. Contrary to many who see Deng was only reintroducing capitalist policies, Yunus took seriously the claim by China that China has been practicing “socialism with Chinese characteristics.” He was impressed with the way China adopted and refined Marxism to fit Chinese national conditions, creating a hybrid system of socialism and capitalism. In the book, he took note of the performance of China in handling the Global Financial Crisis in 2008-2009, writing that:

China’s resistance against the effects of the global crisis was the direct result of national planning, state-owned enterprises, state-owned banking and the policy decisions of the Chinese Communist Party. In China, socialist planning took precedence over the prevalent anarchy of private production caused by the laws of the world market. That is an indication that the socialist side of the economic foundation remains dominant in China. China has succeeded while the world handled various kinds of setbacks because the socialist sector has succeeded in containing domestic capitalism and foreign investment within the framework of the national economic goals of the leadership (Yunus, 2015: 282).

4. Ambassador Akram Zaki

4.1. Brief Biography

M. Akram Zaki was born in 1931 in Gujranwala. Gujranwala was part of Punjab before the establishment of Pakistan. He pursued his education at Forman Christian College, Punjab University, and the Fletcher School of Law and Diplomacy at Tufts University. His career as a diplomat spanned close to four decades, from 1954 to 1993, during which he served as Ambassador to several countries, including China, Nigeria, the Philippines, and the United States, and represented Pakistan in several international organizations and multilateral fora, such as United Nations General Assembly, UN Human Rights Commission, Organization of Islamic Conference, Asian Development Bank and UN Conference on Trade and Development. He also once served

as Secretary General of the Ministry of Foreign Affairs. After retiring from the diplomatic service, he participated in politics and became a Senator for the Pakistan Muslim League, a major political party, rising to the rank of Chairman of the Standing Committee of Senate on Foreign Affairs, Kashmir Affairs and Northern Affairs. He was also affiliated with the Institute of Policy Studies (IPS), a major Islamabad-based nongovernmental think tank. Zaki passed away recently in 2017 (*The Nation*, 2017).

4.2. Writings on China

Ambassador M. Akram Zaki published a short book on China, titled *China of Today and Tomorrow: Dynamics of Relations with Pakistan* (Zaki, 2010), which is based on a lecture he delivered at IPS. The short book provides a survey of China's development since the founding of the People's Republic, comprehensively reviews China's relations with almost all major powers (Russia, Japan, the United States, etc.) in different regions (East Asia, Central Asia, etc.), and also offers an account of the past, present and future prospects of China-Pakistan relations.

In the book, Zaki expressed his admiration of the tremendous transformation of China, from a "war-ravaged, poor and feudal-colonial society" to the then third largest economic power of the world (Zaki, 2010: 23). In giving praises to Deng Xiaoping's successful political and economic transition, he also gave credit to Mao's leadership, who "laid emphasis on meeting the basic needs of the people, like education, health, housing, employment, and domestically and externally safeguarding national independence, territorial integrity, and national dignity" (Zaki, 2010: 17). He also traced the continuity from Deng Xiaoping to Jiang Zemin to Hu Jintao, giving credit to all these leaders for innovating on China's official ideology (Deng Xiaoping Theory, Theory of Three Represents and Scientific Development Perspective) that guided China's development well and met the challenges brought by the economic transformation. He also defended China's decision to crackdown on the student demonstrators in 1989 (he was Pakistani Ambassador in that year, so must have personally witnessed the episode), believing that the demonstration was an attempt made to destabilize China, and "the Chinese leadership boldly met the challenge, maintained political stability, and continued its economic progress with greater determination" (Zaki, 2010: 18). With strong confidence in the Chinese leadership, he wrote that "power, in China, no longer flew from the barrel of the gun, but from the moving wheels of industry and the creative urge of its people to harness new technology for the service of man and mankind" (Zaki, 2010: 23).

On the foreign policy front, Zaki was of the view that China pursues an "independent foreign policy of peace" (which eschews formal military

alliance) and promotes a multipolar world order that can constrain unilateralism. Most of the security challenges facing China came from the efforts by the US and its allies (such as Japan) to contain China and interfere in China's domestic affairs (Zaki, 2010: 27-28). Nevertheless, China will continue its "independent foreign policy of peace," which is "largely shaped by the requirements of the economic reform process." In line with this, Zaki said that China generally does not want to get involved or embroiled in controversies or take an extreme position (Zaki, 2010: 30). In reviewing China's foreign relations, his basic perspective was more or less aligned with China's official view, that China's foreign policy has been aimed for safeguarding its own interests while maintaining and contributing to peace and security in different regions.

On Pakistan-China relations, Zaki also traced the foundation of the long-lasting relations to the 1960s, in which the peaceful resolution of the boundary issues and the changed geopolitical dynamics resulting from the India-China Border War in 1962 and India-Pakistan War of 1965, created a strong commonality of interests between the two countries, in spite of the fact that there is a great divergence of political, cultural, religious and ideological spheres. With the foundation of strategic trust, gradually more practical, functional, and economic cooperative activities were undertaken over the years as well. China was instrumental in helping Pakistan's efforts to industrialize, notwithstanding China's own backwardness before it became the major economic power in the late 1990s. For instance, he recounted the many major industrial and infrastructure projects in Pakistan that China assisted since the 1970s, such as Heavy Mechanical Complex, Heavy Forge and Foundry, the Karokoram Highway, Islamabad Sports Complex, Heavy Electrical Complex, F-6 Rebuild Factory, Rocket Propellant Plant, Ghuddu Thermal Power Plant, Chasma Nuclear Power Plant, and others (as Pakistani Ambassador from 1987 to 1991, Zaki personally witnessed the undertaking some of these projects) (Zaki, 2010: 47). Of course, the relations were not only beneficial to Pakistan but to China as well. Pakistan provided the crucial outlet to the world when China was isolated, facilitated the Sino-US rapprochement, and has always been a strong supporter of China's position in many international issues.

Despite the improvement of China-India relations in the 1990s, Zaki believed that this would not affect the close relationship between Pakistan and China. In fact, with improved relations with India, China could play a better role in defusing some crises between Pakistan and India, as was the case during the Kargil conflict in 1999 and the military standoff between India and Pakistan in 2001-2002 (Zaki, 2010: 49). Looking forward, he believed that both countries can further develop economic and commercial dimensions, which can further "strengthen and sustain" the political friendship

as well (Zaki, 2010: 58). The developments of CPEC later, therefore, must have come as a major boost to Zaki's optimistic assessment of the bilateral ties. In a separate paper he wrote in 2015, Zaki took note of the increased investments by China into Pakistan, and urged Pakistan to learn from China's developmental experiences, such as the establishment of Special Economic Zones, in which China can offer assistance (Zaki, 2015). In addition, China could also help in the areas of agriculture, infrastructure, water management, alternative energy, and so forth. He proposed that "the vision for the future is that Karakorum Highway and the Gwadar Port should be linked and Pakistan should be the energy and trade corridor to the Middle East and beyond, for China" (Zaki, 2015: 11). This is exactly the vision of CPEC.

5. Syed Hasan Javed

5.1. Brief Biography

A generation younger than Ambassadors Muhammad Yunus and Akram Zaki, Ambassador Syed Hasan Javed was born in 1955. He did his B.A. and M.A. in economics at the University of Karachi, and afterwards joined the Foreign Service of Pakistan, beginning a diplomatic career that lasted more than thirty years. He has served as Pakistani Ambassador/High Commissioner to Mauritius, Singapore, and Germany, but not China, despite his life-long admiration for and passion about China. However, he did serve in China for almost a decade, in two different assignments (1980-1987, 2001-2003). In the 1980s he served as Third and the Second Secretary, while in the early 2000s he was the Deputy Chief of Mission/Minister in the Pakistani Embassy in Beijing. His diplomatic career in Beijing crossed path with two of the Ambassadors also discussed in this article: Muhammad Yunus and M. Akram Zaki. During his time in Beijing, he attended the Beijing Language Institute (today is known as Beijing Language and Culture University) and eventually picked up the difficult Chinese language. He has written five books within a relatively short period of time. They are: *Chinese Made Easy: Spoken Chinese in 100 Lessons* (2012), *Chinese Soft Power Code* (2014), *Dictionary of Chinese-English-Urdu Languages* (2016), *Rise of China and the Asian Century* (2016) and *Nation Building: Paradoxes in India and Pakistan* (2018). After recently retiring from diplomatic service (in 2015), Ambassador Javed has been actively participating in promoting studies of China in Pakistan. Currently, he is serving as the Director of the China Studies Centre of Excellence at the National University of Science and Technology in Islamabad. Being one of the most prominent China scholars in Pakistan, Javed also actively and frequently interacts with Chinese think tanks and academic institutions.

5.2. Writings on China

Ambassador Javed is a fluent Chinese speaker and is eager to promote the Chinese language in Pakistani society and schools. Keenly aware of the growing relations between China and Pakistan, it is necessary for the people in Pakistan to be equipped with some basic Chinese to interact with the Chinese people, and he has written two books to introduce the Chinese language, which are meant to inform about how ordinary Pakistanis can learn the Chinese language in a simple way. Moreover, he also wishes that his dictionary can inspire more Chinese to learn the Urdu language, although that book is not widely available in China.

Chinese Soft Power Code (Javed, 2014) is a record of how Javed understood the advantages possessed by the Chinese in terms of culture. He uses the term “soft power” differently from the international relations and foreign policy literature. Rather than being a foreign policy resource, “soft power” for Javed denotes more like cultural resources, thought process, and values that have given China and the Chinese people a tremendous advantage over other countries in building up comprehensive national power. In his own words, he described “soft power” as “the ability of a State to use its non-tangible and non-physical assets to achieve its national policy objectives and enhance its national and international power profile” (Javed, 2014: xxiv). Javed derived what he called as “soft power code” from his direct observation and daily life experiences when he was posted in China. The book is more a personal reflection rather than a serious analytical study, and aimed for enriching the understanding of Chinese culture by the Pakistani public. This can be seen by the subjects included in the book, which covers the introduction of traditional Chinese philosophical schools, a glossary of common Chinese terms, a collection of sayings by Chinese philosophers and leaders from Confucius to Mao Zedong, a chapter devoted to Chinese Horoscope as a form of “natural soft power,” and a list of cultural attributes that Javed contended that Chinese people possess. He claims that the contemporary Chinese soft power is a combination of Chinese classical traditions including Confucianism, Taoism and Mohism, and imported philosophies such as Buddhism, Western Thought, and Marxism-Leninism (Javed, 2014: 81). The result is a highly adaptive and pragmatic culture and thought process that has enabled China to become the great power it is.

The book is highly positive of everything Chinese. Aiming for popular understanding, the book is not a very sophisticated analysis of Chinese culture, but the most novel part is the listing of a total of 88 cultural attributes. These attributes include integrity, humility, discipline, kindness, faith, trust, caution, common sense, patience, courage, frugality, determination, tenacity, truthfulness, rationality, calmness, solidarity, and so on. It is remarkable that

Javed collected so many positive attributes of human beings and ascribed all of them to the Chinese culture. For instance, in illustrating the attribute of “truthfulness”, Javed (2014: 161) wrote:

The Chinese are however uniquely blessed with a remarkable attitude towards the facts. The Chinese family values system and educational syllabi attach critical importance to truthfulness. The earliest slogan during Deng Xiaoping’s open door policy was “not to ignore facts and ground realities”. One has to only look, where China is today and where it was in 1980.

Although one may criticize Javed’s excessively positive appraisal of almost everything Chinese as bordering on hagiography, he however was fully convinced that he derived his conclusions based on close observations of and interactions with the Chinese people throughout his career. Inspired by the tremendous transformation in China, he suggested that Pakistan should cultivate a similar set of soft power attributes that could enable her to develop accordingly. Development of Pakistan is of an uneven nature and the elites are not pro-development, and henceforth Pakistanis should learn from the Chinese.

A more substantive book, *Rise of China and the Asian Century*, is part memoir and part of his analysis of the global politics of China’s rise. In the memoir part (Javed, 2016: 141-171), he discussed his fascination of all things Chinese, in particular the laborious work he had to go through in learning the language, and his work experience with different Pakistani ambassadors, but the memoir part did not capture the historical events in the way the memoirs written by Muhammad Yunus.

The main part of the book however is Javed’s analysis of China’s rise. Continuing with the theme of *Chinese Soft Power Code*, Javed felt that “it is utmost importance for the global community to study the Chinese mind and their cultural thought process” (Javed, 2016: xxi), and declared that “China is the least understood, but the richest country in Soft Power in the world” (Javed, 2016: 19), but the emphasis of this book is more about the developmental experiences and policies of China and the strategic importance of China-Pakistan ties, especially the China-Pakistan Economic Corridor, in the context of the impending arrival of an Asian Century. For Javed, the Asian Century is fuelled by different forces but the most important of which is the emergence of China as an economic superpower. He confidently wrote that “China is going to be greatest game changer in the 21st Century” (Javed, 2016: 15). In the book, he attempted to explain to Pakistani readers what the secrets to China’s success are. While fundamentally “soft power” or the set of cultural values Javed listed is always given the primary importance in his writings, he also discussed concrete policies during the Reform and Opening Up Era that made China successful, such as promoting and consolidating a

core group of reformist leadership, devolution of administrative power to encourage local growth, tapping in and mobilizing the capital and resources of the overseas Chinese, encouragement of private enterprises and foreign direct investment, joining the World Trade Organization, administrative reforms that separated regulatory and revenue-generation functions from the government ministries, taxation reforms, the use of mass media to promote positive values among the public, modernization of a civil service to serve the market economy, and a foreign policy that seeks to avoid controversies, conflicts, crises and confrontations (Javed, 2016: 39-72). Although Javed's analysis offered no new theories and perspectives and many other factors were not captured, it provided a basic and adequate account of China's developmental experience for average readers in Pakistan, and to this he particularly emphasized the need for Pakistan to learn from China's developmental lessons (Javed, 2016: 84).

In looking at China's foreign relations, Javed did not hold back in his criticisms of both India and the West. In several polemical statements, the West, Javed said, "is baffled, bruised and biased and shows a lack of respect and understanding...China has defeated the West in its own game and on their turf. And this is just the beginning of the struggle" (Javed, 2016: 12-13). India, on the other hand, "loves pampering by the West and excels in criticising as well as spilling venomous propaganda against China's role in the world" (Javed, 2016: 82). Both the West and India are accordingly cooperating to contain China, and to which Javed urged China to develop its military, especially naval power: "China would need a naval flotilla of at least a thousand ships to protect its maritime security interests just in South China Sea and the Indian Ocean alone by 2050" (Javed, 2016: 83). In contrast, Pakistanis "are glad to see the comeback of China on the global scene, which bodes well for peace, security, justice, balance and harmony. Indians make themselves look like 'jokers', once again erring in judgement of historical forces by siding with the exploitative Imperial Powers..." (Javed, 2016: 98-99).

Implicitly, Javed seemed to suggest that Sino-Pakistan friendship and strategic partnership are more than ever important given the collusion between India and the West. According to Javed, Sino-Pakistan relations are built on the foundation of these core principles: "common perception of regional and global developments; common interest in maintaining peace and security; common positions on major global development; and common enemies and common friends" (Javed, 2016: 101). The development of the gigantic CPEC project will further add momentum to the relationship. While Pakistan offers many benefits to China, including its strategic land route access to the Gulf through Gwadar, CPEC also contains a lot of benefits for Pakistan. It will enhance "connectivity and expansion of trade and investment through

a network of roads, rail, fibre optic cables, and energy pipelines. It also provides for the special economic zones, industrial parks and trade centres and development of energy and technical cooperation. The CPEC would connect the nodes of growth centre in such a manner that the fruits of the development would benefit all areas/provinces of Pakistan” (Javed, 2016: 119).

Clearly, Javed has high hopes for Sino-Pakistan relations and CPEC. However, he also warned that CPEC would remain only as potential and its full benefits never realized if Pakistan could not develop, modernize, and reform itself to harness the opportunities coming from China’s rise, especially if Pakistan continues to be trapped in “archaic anglicised culture, thought process, work ethics, legal, civil institutions” (Javed, 2016: 124). Instead, throughout his book and in many other writings he has been urging Pakistan to learn from China. He criticized that Pakistani elite still rely on western (biased) writings on China and cannot really handle “sinology.” Henceforth, after his retirement from diplomatic service, “developing local capacities in Sinology” has become his mission, because the acquisition for such capacities “is a life-long investment” for Pakistanis, “with high returns as China rises in stature” (Javed, 2016: 21).

6. Riaz Mohammad Khan

6.1. Brief Biography

Finally, this article will discuss briefly Ambassador Riaz Mohammad Khan, a well respected Pakistani diplomat, who is also an eloquent scholar on his own, and has produced two critically acclaimed books, *Untying the Afghan Knot: Negotiating Soviet Withdrawal* (1991) and *Afghanistan and Pakistan: Conflict, Extremism and Resistance to Modernity* (2011a), published by major university presses in the US. Trained as a mathematician, he once taught at Punjab University, before joining the diplomatic service in 1969. He served as Pakistan’s Ambassador to China from 2002 to 2005. The last post he held was Foreign Secretary until retirement in 2008. However, his association with China began much earlier. He was posted to China from 1970 to 1973, and after returning to Islamabad, headed the China desk at the Foreign Office until 1979.

6.2. Writings on China

Unlike the three other ambassadors reviewed in this article, the discussion here therefore focuses on an article on Pakistan-China relations that Ambassador Riaz Mohammad Khan wrote for the premier Pakistani strategic journal, *Pakistan Horizon* (Khan, 2011b).¹

The article provides an overview of the developments of relations between Pakistan and China since the establishment of diplomatic ties in 1950. While much of the narrative about the strategic foundation of Pakistan-China relations, dating back to the fateful 1960s changes of geopolitical dynamics in the South Asian subcontinent, is familiar to any student of Pakistan-China relations, the article does raise several interesting observations and points. For instance, Khan discussed at length the sensitivity of how both countries deal with transnational terrorism and crimes because these issues touch upon the internal affairs of each other, which both countries want to avoid as much as possible. For Pakistan, the Xinjiang issue has from time to time been brought up, especially by western media, as something that could sour Pakistan-China relations, but Khan pointed out that Pakistan has always been “deeply conscious of Chinese concerns and has ongoing active cooperation with China” to eliminate the terrorist threats and militant groups originating from Xinjiang. Because of this issue, Khan also claimed that China started to show greater interests in the internal situation of Pakistan, especially as it is related to the rise of religious militancy. This was compounded by a real threat to the security of a large number of Chinese workers and engineers in Pakistan, a few of them were in fact killed or kidnapped by the militants. But China has so far still refrained from “prying into domestic situations and internal politics” of Pakistan (Khan, 2011b: 16). In addition, Khan opined that China had not shown any concern, in the aftermath of the September 11 terrorist attack, that US troops were present in Afghanistan and were using bases in Pakistan (Khan, 2011b: 17-18).

Although Chinese projects, loans and investments in other countries have raise issues of debt (primarily in many other countries), Khan was of the opinion that the terms of the loans offered by China was a mixed package of “interest-free, soft, and commercial loans that are long term and entail far easier terms than those offered by other international sources” (Khan, 2011b: 22). In addition, turning loans into grants was not part of China’s philosophy of developmental aid. He recounted an interesting story in which in the 1970s, during a visit to Beijing, President Bhutto raised the issue of converting a 30-year, 500 million yuan interest-free loan into a grant to Premier Zhou Enlai, to which Premier Zhou responded that “in the Chinese view, extending grants was ‘inappropriate (unbecoming)’ for relations among friends. If Pakistan were not in a position to make the payment when it was due...China could agree to extend the grace period to another 30 years” (Khan, 2011b: 20). Another interesting discussion concerned the linkage between Karakoran Highway and Gwadar Port. Unlike most standard accounts in Pakistan, Khan in fact was sceptical about the utility of such linkage. He wrote that “the fact remains that most of China’s exports are generated in its eastern regions and their transportation through Pakistan makes little economic sense.” Even

the Karaokoram Highway-Gwadar Port route, which is often suggested as an alternative route to the Strait of Malacca should China want to avoid a chokepoint, could be unfeasible because “geography suggests more feasible routes through Myanmar” (Khan, 2011b: 25). However, this should not be read as Khan’s objection to CPEC but rather that Pakistan should make itself more attractive as an economic partner of China.

Overall, Khan differed from the other three ambassadors here, while still being very positive of Pakistan-China ties, his article has a more moderate tone and offers objective analysis, pointing out the differences and challenges that need to be met for the countries to move forward. But he was far more critical of his own county, citing security challenges and corruption as major factors hindering greater investment and tourism flows from China.

7. Discussion and Conclusion

This article reviews the writings on China by four former ambassadors, three of them ambassadors of Pakistan to China. Ambassadors Muhammad Yunus, M. Akram Zaki, Syed Hasan Javed, and Riaz Mohammad Khan, deriving from their own personal experiences during their postings in China, and based on their understanding of what is in the best interests of Pakistan in terms of foreign relations, all write positively about China. Some are overwhelmingly and even excessively positive about China, such as those of Javed, and some are more measured, such as Khan, but they all converge on the consensus about China.

Although most of these writings appeared after (or at the end stage) of their diplomatic career, it is clear that their positive views of China had long been shaped. In this sense, these writings reflected an ethos among at least a section of the professional diplomatic corps in Pakistan, which see China as an overwhelming positive country to the survival and prosperity of Pakistan. The rise of China, to a large extent, is cheered in Pakistan more than almost all other countries, and these Pakistani diplomats see China’s rise as critical to the destiny of Pakistan’s own fate. Their writings indeed display a remarkable supposition that the interests of China and the interests of Pakistan are almost identical. They also suggest the high level of distrust of the US among these diplomats. Pakistan once identified closely with the US, but the sense of betrayal by the US and other “friends” in 1965 and 1971 during its confrontation with India was so strong, that until today Pakistan does not trust the US.

From a realist perspective, the strategic partnership between Pakistan and China of course is largely driven by the geopolitical and geostrategic environment that binds the interests of these two countries together. While this is undeniable and fundamentally the basic driver of Pakistan’s China policy, from a constructivist point of view, it should also be understood that

such a policy is more easily pursued when it is supported overwhelmingly by the public and the elite, with a prevailing positive discourse on the nature of Pakistan-China relations. Influential opinion makers in Pakistan, including academics, think tank analysts, and diplomats, have been producing an overwhelmingly positive China discourse (see Mahesar forthcoming in 2019), that it is positive to hypothesize that this has become imbued in the psyche of Pakistani policymakers. Henceforth, even if sometimes there appear to be some issues between Pakistan and China, it is unlikely that Pakistan will reverse course on its China policy. Foreign observers of Pakistan-China relations, which generally seek to explain the relationship purely from the perspective of the converging national interests of the two countries, sometimes fail to understand the deep level of consensus about Pakistan's China policy. This article, by using a constructive perspective and by examining the writings on China by Pakistani diplomats, provides a different angle to understand the relationship.

Notes

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1. One of the authors has had a chance to interview Ambassador Khan, from which he revealed that he once co-authored a book on Chinese people's commune in the 1970s, published in Bangladesh, but that book is difficult to find today. Interview with Ambassador Riaz Mohammad Khan, conducted by Pervaiz Ali Mahesar, 7 March 2018.

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The Quotidian Concern and Racial Belonging of Brazilian Chinese: A Study of BrasilCN.com

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Abstract

Benedict Anderson regards nation as a socially constructed “imagined community.” The imaginative nature of the nation implies the possibility of shifting personal belonging to a geographically identified area from reality to a virtual network shared by the people who hold the same self-identification. The development of websites that serve Chinese diaspora reinforces the overseas Chinese’s emotional and epistemological connection to mainland China. By analyzing BrasilCN.com 巴西華人網, which is the first Chinese-language website that has offered news, quotidian information and forum communication to Brazilian Chinese since 2009, this research paper will structurally reveal how its selected provision of knowledge related to China and its forum platform for group conversation deliver a sense of racial support that differentiates the users from local Brazilians. It holds an argument that the intersectionality of the identity of Brazilian Chinese causes the hybridity of the content of BrasilCN.com and creates a demand for connecting between two sides, instead of solely solving daily problems of living in Brazil or reminiscent problems of being physically isolated from China. The posted information reveals that the users’ requests related to Brazil and China are imbalanced. There are tensions between localization and cultural estrangement.

Keywords: *Brazilian Chinese, mainland China, BrasilCN.com, networking, culture, communication*

1. Internetization and the Virtual Narrative of BrasilCN.com

Internetization, since the technical development of protocols for internet-working in the late 1960s, delivers a sense of minimizing geographical constraints for communicative production of knowledge. It was at first academic, quantitative, and pragmatic in nature, and later, especially following

the advancement of Web 2.0 techniques, becomes penetrative, covering all the quotidian aspects and fostering transnational imagination. Internetization not only externally fosters capitalism and modernization towards global standardization, but also subjectively moulds personal preferences and cultural recognition. In *Imagined Communities: Reflections on the Origin and Spread of Nationalism*, Benedict Anderson suggests that the deep and horizontal comradeship founded on imagination of a shared nation, despite “actual inequality and exploitation”, makes the nation a community (1991: 6-7). On the one hand, internetization is replacing the national boundaries with the inter-connective domains, and the geographically given fraternity with transnational self-identification; on the other hand, it consolidates national identity and diversifies its significance through production of public information and networks. The Internet space is distant from the real geographical space, but in the realm of imagination, it replicates and supplements the existence of reality, and creates new logic of maintaining or disintegrating imagined communities. As Anderson attributes the creation of imagined communities to “print capitalism”, the “virtual capitalism” that the Internet made possible creates “nations” via its rapid, fragment and omnipresent dissemination of signifiers through screen, which is more efficient and effective than print.

The conceptual development of “nation” and “nationalism” is not purely government-oriented. Public engagement is also significant. Not only local public engagement but also overseas engagement, be it by diasporas or foreigners, identifies and differentiates between imagined national borders in all aspects. Websites are worth examining as they actualize the ambiguity of personal identity that is invisible within the clear-cut national borders. In this research paper, BrazilCN.com is the target for analysis. It is a byproduct of virtual capitalism, relying on advertisement income to sustain its operation. Its business model is based on Brazilian Chinese’s consumption of information related to China and Brazil, earning from the ethnic Chinese’s ambivalence of migration and settlement in Brazil. Studying this website can offer a transcultural perspective beyond an understanding of the physical flow of population and the local interaction of Chinese residents/immigrants in reality.

According to Shu Chang-sheng’s 東長生 literature review, there were around 250,000 to 280,000 ethnic Chinese in Brazil in 2012 (2018: 37). His study notices that birthplace, duration of stay, legal status in Brazil can influence the statistic result of the population of Brazilian Chinese, revealing the fluidity of being ethnic Chinese in Brazil. On the online platforms, identity is free from identification due to the anonymity of Internet users. Netizens can develop their belonging to the virtual space with familiar language and culture, regardless of the complexity of identity politics. BrazilCN.com, claiming to be the largest Brazilian Chinese online platform, acts as a

private home beyond collective constitution of the sense of public, national and geographical belonging, in which one can freely participate in identity fixation and variation. There are other websites similarly serving Brazilian Chinese, such as Brazilhr.com 巴西華人資訊網, 25jie.com.br 25街華人網站, and Bxqw.com 巴西僑網. BrazilCN.com is only a typical example that deserves close analysis.

Regarding BrazilCN.com as a holistic narrative, one can deem it a story of adaptation, nostalgia, and struggling for success. In the view of Marie-Laure Ryan, story is a “cognitive construct”. Unlike “discourse” which is “a representation encoded in material signs”, it is “a mental image” that “concerns certain types of entities and relations between these entities” (2008: 347). In the case of BrazilCN.com, its structural design and posts reflects the web administrators’ intention and their implicit relational understandings of Brazil and China, corresponding to their readers’ expectation. The default language of the website as simplified Chinese has foregrounded the story as centralized on mainland China, or the People’s Republic of China, instead of Taiwan, Hong Kong, Macau, or pre-Second-World-War China, which use Traditional Chinese as the official language. In contrast, Brazilhr.com uses Traditional Chinese and is Taiwan-focused, revealing a different ideological emphasis, and another story of ethnic Chinese.

There are more narrative details on the home page of BrazilCN.com. As shown in Figure 1, the title bar, supposed to show the most important categories of information, includes the titles “homepage”, “information”, “index”, “demand and supply”, “property”, “recruitment”, “events” and “posting”. Three of the titles (“demand and supply”, “property”, “recruitment”) are related to business activities, and other four titles except “homepage” contain resources that can assist career development of Brazilian Chinese. On the right of the homepage, there are eye-catching icons with explanations: “reading news”, “job searching”, “flat searching”, “lawyer searching”, “event organizing”, “help seeking”, “goods-transportation seeking”, “air ticket purchasing”, “friends making”. These icons show the panoramic care of the website for the Brazil Chinese, especially the new immigrants or short-stay workers from mainland China. BrazilCN.com aims to help the fresh “Brazilian” to settle down with local news, suitable jobs, accommodation, interpersonal networks, and legal help. However, the icon for buying air ticket reveals that the Brazilian Chinese intend to not only grasp information for adapting to an exotic life, but also to return to or keep visiting China. The significance of Brazil for the visitors of BrazilCN.com appears to be a place for individually developing careers and collectively constructing an ethnic power based on commercial success, rather than a nation that could alter one’s patriotic commitment to China. An especially interesting piece of information is that the weather of Guangzhou is offered beneath the nine

Figure 1 The Home Page of BrazilCN.com



icons. As the visitors of BrazilCN.com are supposed to be Chinese currently staying in Brazil or preparing to go to Brazil, the weather of the major cities of Brazil would be more relevant. Furthermore, Guangzhou is merely the capital city of Guangdong province, not of the People’s Republic of China. Although the villagers of Taishan, Guangdong, has occupied 7 per cent of the total population of ethnic Chinese in Brazil,¹ the weather information of Guangzhou (which is around 200km apart from Taishan) is too geographically limited. This reveals the disunity and sometimes irrelevancy of information delivered to the targeted netizens.

Mi Su-min 密素敏 examined the features of adaptation of overseas Chinese to Brazilian society in her journal paper, and regarded running business as the key approach for them to root in Brazil. From being slaves of the Portuguese colonizers to mobile salesmen, and then to business owners (2015: 65-66), ethnic Chinese has to encounter the cultural diversity opposite to the introvert East Asian nature, the lack of political representatives, and social unrest (67-72). As a minority of the Brazilian society, ethnic Chinese

generally maintain strong internal bonding and cultural affiliation, and attempt to raise their social positions through economic activities rather than political movements. To defend their rights and facilitate business cooperation, they organise ethnic Chinese societies. Xu Wenyong 徐文永 and Xie Linsen 謝林森 had researched on the public diplomatic function of ethnic Chinese societies in Brazil. Since the establishment of the first society *Centrol Social Chinês* 巴西中華會館 in 1919, the Brazil Chinese societies worked on Chinese interpersonal networking, Chinese school, and Chinese media (2012: 19). They keep contact with the mainland Chinese government and locally promote Chinese culture for enhancing ethnic cohesion and maintaining ethnic unity. Their sensitivity to national and ethnic belongings offers an external source of discursive power that benefits the locally subordinate Chinese, including those with Brazilian citizenship.

The cutting-edge researches of Brazilian Chinese societies had not yet discovered the similar nature and significance between those societies and the online communities for Brazilian Chinese. The online communities like BrazilCN.com maintain the dominance of Chinese language as the medium to connect ethnic Chinese with various nationalities. They post news related to Brazil and China similar to the function of local newspapers run by the Brazilian Chinese societies. Besides, they more effectively organize events, release information, initiate discussions, and serve those socially inactive immigrants. Their concentrated design with a wide coverage of daily issues is what the physical presence of the Brazilian Chinese societies, like service centres, can hardly provide. With reference to framing theory, the edges and indicators of the “taleworlds” that the readers are choosing to enter is under the decisions of authors (Young, 1986). Regarding the informative and interactive domain of BrazilCN.com as a taleworld, one can interpret its web administrators and participants as determining the routinely and morally accepted plots for continuing the overseas story of the unambiguously self-identified Chinese diaspora. The BrazilCN.com belongs to web literature; whereas the speech act of the Brazilian Chinese societies is close to print literature. The former one is free and widely distributed, and is hence holding an overwhelming power to shape the social and cultural ideology of the class of netizens. It resembles “cybertext”, which Espen J. Aarseth defines as artificially designed and mechanically operated textual system that requires readers to effectuate a story from various possibilities (1997: 1-2). BrazilCN.com is a more user-centred textual mechanism, producing possibilities for the readers to grasp their own bonding to China or Brazil within the frame of Sino-centrism. Its invitation to discussions and to reflection on staying and settling avail a development of online democracy for Brazilian Chinese, despite certain limitations of expression under the surveillance of web administrators.

2. The Knowledge Production in the Realm of Orientalism and Self-Orientalism

The narrative production of BrazilCN.com is not homogeneously pointing to the sublime subject of China. The juxtaposition of news reveals the geopolitical conflicts between ethnic and corporeal belongings. The Brazilian Chinese's ethnic identity given by blood relations aroused their concern about the incidents happening to Chinese and in China; whereas their physical presence in Brazil triggers their awareness of the socio-political issues related to their everyday life. In BrazilCN.com, the key information is categorized, below the big image box of the homepage, as "hot news", "Brazilian headlines", "emigrants' information", "Brazilian encyclopaedia", "Latin American headlines", "Chinese news", and "international news". The priority of information is given to those closely surrounding the situations of Brazilian emigrants, and then, layer by layer, related to the continent that Brazil locates, the nation with the largest population size of ethnic Chinese, and then the world in general. This arrangement highlights the urgency for the Brazilian Chinese to keep updating their parochial conditions, instead of tracking the remote situations that make no difference to their local life.

The representation of BrazilCN.com is not coherent, encouraging neither localization in Brazil nor utopian attachment to China. It creates an oriental image of China not following the logic of Orientalism in the colonial context. In Edward Said's (2003) orthodox understanding, Orientalism is a condition of imperialist and colonialist interpretation of Eastern culture in the West. It differentiates and hierarchizes cultural elements due to geographical separation and asymmetric power relations. Applying Said's Orientalism to understand BrazilCN.com, one can suppose that the website is under stereotypical production by web administrators in the West, and it presents Chinese images and concepts in a way subordinate to those of the West. It is an imagined object for the Western Chinese to interpret and consume, and is founded on reinterpretation and misinterpretation due to the lack of first-hand analysis of the Chinese context. Furthermore, Western methodology has framed the operation and knowledge display of the website, which compulsorily follows a systematic and logical Western routine that may undermine the possibility of using a subjective Chinese critical tradition to deliver a specific sense of Chineseness.

A big question upon the interpretation above is: Are Brazilian Chinese Westerners? For the Brazilian Chinese whose birthplace is Brazil and received Portuguese education, they might be "yellow" outside and "white" inside (like what Frantz Fanon titled his book *Black Skin, White Masks* (1952) for situating the specific condition of the black who receive white colonizers' education). Their preconception of China and Chinese may

follow the genealogy of Oriental imagination of the West. Even with factual understanding and frequent field-trip visiting, the Western methodology and local discursive formation can still form a biased organization of Chinese perceptions. As a result, the native Brazilian Chinese hold a different imagination of the Orient from the fresh immigrants and the native Chinese. They take different pieces of information from BrazilCN.com to suit their own needs, and create their own ideas of China upon their biologically given identity. Moreover, the native Brazilian Chinese are different from the native Brazilian, as most of them grow up in a bilingual environment and inherit certain cultural rituals and habits. As the descendants of the colonized people, they hold an ambiguous “stereotype” in-between Said’s Orientalism and ethnic re-imagination of the Orient.

Chen Xiaomei noted that the political reforms of Deng Xiaoping, the second-generation leader of the People’s Republic of China, brought both Occidentalism and Orientalism to post-Mao Zedong China. She quotes Dai Jinhua’s argument that contemporary China was “post-socialist” rather than “post-colonial”, to specify the feature of Orientalism in the Chinese context (2002: viii). In Chen’s observation, social Westernisation in China sometimes led to self-Orientalism. That means Chinese writers might create literary works with stereotypical Oriental features based on the Western readers’ expectation. With realist exposure of local problems, the works represented China as inferior to the West, corresponding to the Western binary-opposite representation against China. In the case of BrazilCN.com, the participation of the native Chinese is supposed to be absent; however, they may geographically move to Brazil and bring their own understanding of the Orient online. Self-Orientalism and its particular kind of knowledge production can be shifting and interacting after the physical moves of individuals.

However, self-Orientalism *per se* is volatile and can be internally contradictory, changing in response to political dynamics. As the economic power of China skyrocketed in recent decades,² Chinese self-Orientalism appears no longer homogeneously related to the problematic, backward, and uncivilized side of China; it also reflects the promotion of a self-strengthening discourse against the Western hegemony on every side. BrazilCN.com contains news from sources such as *Global Times*, *People’s Daily*, China News Service, and ThePaper.cn. These media are under the mainland Chinese government’s ideological manipulation and deliver a positive image of China, resisting the Chinese intellectuals’ self-negation in the past and democratic request at present. The selection of Chinese news for irregular publication (even in only one Chinese news item posted in May, 2018)³ by the editorial team of BrazilCN.com sensitively standardizes the scope of the Oriental China within acceptable Western expectation, and this standardization filters self-recognized negative representation. On the

one hand, the news such as “Would Sino-American trade war happens? The Minister of Commerce replied powerfully” 中美会不会打贸易战? 商务部部长霸气回应 subjectively shows the diplomatic power of China and its dominant economic influence to the world. On the other hand, the news such as “Raising the threshold of individual income tax! The public issues you concern are all mentioned in the government’s work report” 个人所得税起征点将提高! 你关心的民生大事, 政府工作报告都提到了 promotes the Chinese central government’s ability to optimize public satisfaction and maintain internal harmony. Besides the news that consolidated both Chinese and foreign recognition of China as a growing superpower, the news related to accidents, tragic events, and crimes happening in China are allowed to be posted on BrazilCN.com. As an example, “To test her boyfriend’s love, she ‘kidnapped’ herself on her own, facing a tragic end” 为考验男友感情, 她自编自演一起“绑架案”, 结果悲剧了 reports on a girl’s fabricated abduction leading to criminal penalty. It permits exposure of inferior quality of certain Chinese individuals, and meanwhile stresses the prompt actions that the Chinese police took to guarantee social security.

3. Post-Orientalism and Identity Politics

The manipulation and surveillance of representing the superior China in a new geopolitical context denote disintegration of the hierarchical and binary-opposite understanding of Orientalism. Unlike the post-Orientalism that Hamid Dabashi (2009) coined to examine the postcolonial agency related to the exiling intellectuals’ counter-knowledge production in the bargaining between the United States and the Middle East, the post-Orientalism applied to the argument here focuses on the intentional representation of soft power and identities, which ambiguously encourages racial belonging to a united national entity.

On 1 February 2018, the Chinese Ministry of Public Security practised eight new measures to benefit the immigration of foreign Chinese, including extending their valid duration of stay from 1 to 5 years.⁴ These measures denote racial differentiation between Chinese foreigners and other foreigners, and recognize the geographical significance of the origin of Chinese diaspora, regardless of how many generations of them had left the mainland. This strategic connection to the Chinese settlements abroad empowers the national regime of mainland China.

BrazilCN.com claims to be established by various Brazilian Chinese organizations, but its editorial approach does not show a neutral stance between Brazil and China, Brazilian and Chinese. Corresponding to the administrative adjustment that the mainland Chinese government made to blur its national borders for the foreign Chinese, it internalizes the Chinese identity,

resisting homogeneous localization and cultural hybridity. While maintaining quotidian indexes to the environment dominated by racial Brazilians, the website habitualizes the lingual and epistemic specificity of being Chinese. Moreover, it unites the Brazilian Chinese to the mainland Chinese via enabling QQ and Wechat accesses to the forum. These two applications that mainly mainland Chinese dominantly use for daily conversation could arouse a sense of virtual membership. This membership ambiguously dismantles the unfamiliarity between individuals based on the penetration of communicative techniques originated from mainland China. It assists generalization of Chinese identity against the discourses related to the independence of Taiwan, Hong Kong and Tibet.⁵ Together with the absence of those discourses in the part of Chinese news, BrazilCN.com represents a pan-Chinese community, transcending a fixed Oriental imagination.

This pan-Chinese community mainly represents identity post-Orientalism. Its ideological encouragement of settling in Brazil and developing racial bonding to the Chinese nation does not foster inter-affectional attachment in the forum of BrazilCN.com, unlike the online forums in Hong Kong, such as Hong Kong Discuss Forum, HKGolden and LIHKG, which attract local Hongkongese to share private experiences. Regardless of whether the drift of self-Orientalism carries censorship from mainland China, BrazilCN.com does not contain active interpersonal interaction. “Tieba” 貼吧, literally “the bar of posts”, which is the forum of BrazilCN.com, appears utilitarian in function. The posts of the forum are mostly related to job recruitment, property for sale or rent, and help seeking. Most of the posts received no reply, despite having been read for over 1,000 times.⁶ The contrast between the users’ active search for commercial and quotidian benefits and the apathetic attitude of the other users reveals the malfunction of BrazilCN.com to transform represented public belonging to China into private belonging to other Chinese. The implicit representation of BrazilCN.com is overall nationalist, patriotic, and diplomatically friendly towards the One China. However, the participation of the targeted Chinese depends on the utility of others, rather than racial ethos. In this case, utility is the prior and core force to evoke the imagination of the common features between different Chinese individuals. The construction of the shared idea of nation is temporarily effective and non-communicative. The desires for resolving personal needs and earning economic benefits raise the users’ sensitivity of their Chinese identity. This identity is pragmatically more significant than their Brazilian identity, as their Brazilian identity is marginal in the racial Brazilian society. Their self-recognized marginality further raises the concern about seeking for an external source of power. Their blood origin thus grants them relations with the racial Chinese strangers, enabling the development of a transnational network. Although BrazilCN.com’s forum is not active, its activity notice page reveals that Brazilian Chinese pay attention

to the racially specific events, such as Chinese singing contest, Chinese opera performance, Chinese New Year celebration, and cultural visiting to China.⁷ It might mean that Brazilian Chinese prefer communicating in reality than on the Internet. Another interpretation can be that Brazilian Chinese, or simply Chinese, generally hold a volatile, heterogeneous and situational view on being Chinese. For the anonymous netizens, being Chinese is valid only when quotidian issues urge them to search for solutions from the group of people with the same identity, or when the Chinese characters, Chinese news and information, and notices of cultural activities remind them of racial differentiation from others. Patriotism empowers the overseas Chinese identity. It is internally inserted in BrazilCN.com, but is external to the Brazilian Chinese in reality. The Brazilian Chinese could choose whether to enter a virtual space to consolidate one of their identities, and their personal configuration of the Chinese identity is unique. Globalization is merging utilitarian searches for settlement with ambiguous identification and combination of the self within diverse possibilities. The implicit propaganda and asymmetrical communication represented in BrazilCN.com project merely one facet of identity politics. Other facets deserve further exploration with sensitivity to specific technical realms and glocal circumstances.

Notes

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1. See the news report on Sina.com: "Guangdong Taishan youpian "Baxicun" luju baxi xiangqin bi cun li renkou haiduo" 广东台山有片"巴西村"旅居巴西乡亲比村里人口还多 (Guangdong Taishan with a video "There are more Brazilian immigrants from the village than the local villagers"), 7 August 2016, available at <<http://news.sina.com.cn/o/2016-08-07/doc-ifxuszpp3056387.shtml>>.
 2. Specifically, Cheng Jing 程晶 (2012) reviewed the data of China-Brazil trading from 2002 to 2010, and provided that their trade volume grew rapidly from 4.1 billion US dollars to 50 billion US dollars. From 2009, China replaced the United States' and became the largest trade partner of Brazil.
 3. See "Zhongguo xinwen" 中國新聞 (Chinese news), BrazilCN.com, 13 June 2018, available at <http://www.brazilcn.com/article/listnew_84.html> (accessed

- 13 June 2018). In comparison, there were 18 and 4 items of Chinese news posted in March and April of the same year respectively.
4. See “Starting from the next month, China will issue 5-year visa to benefit the foreign Chinese” 下月起便利外籍华人 中国发5年多次签证, available at <<http://www.sinchew.com.my/node/1722609>>.
 5. Cheng Jing (2016) studied the Association for Promotion of Peaceful Reunification of China 中国和平统一促进会, and regarded the patriotic diaspora Chinese as the core force for promoting anti-independence ideas. This study reveals the intentional correspondence between some Brazilian Chinese institutions and the mainland Chinese government on the One-China issue. Those institutions deliver pro-unification messages to the local public through their controllable platforms such as BrazilCN.com.
 6. See “Tieba”, BrazilCN.com, available at <http://www.brasilcn.com/tieba_a2275_b0_c0_d0_e0_f0_g0_h0_i0_p1.html> (accessed 19 June 2018).
 7. See “Activity”, BrazilCN.com, available at <<http://www.brasilcn.com/huodong/>> (accessed 19 June 2018).

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Are China's Service Exports Accurately Measured? Implications of an Alternative Measurement Approach

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Abstract

As economic development advances, a country's service sector grows. With globalization, this growth is often accompanied by the growth of trade in services. China is a good example. After three decades of spectacular economic advance, its service trade is now one of the world's largest, but so is its service trade deficit. How did this come about, given China's competitive strength in the export of goods? Second, is this deficit a statistical anomaly, i.e. with China participating in global supply chains, how well do gross exports reflect the true value of China's service exports? Third, what is the real competitiveness of China's service exports? This study examines these questions by first reviewing the structure and trends in China's service trade using official statistics. It then re-estimates these exports using the "forward linkage value-added method" to compare with gross exports. The third question is addressed by calculating revealed comparative advantage (RCA) indexes based on gross as well as value-added service exports. Using 2000-2014 data, the results show that no matter which method is applied, China's service exports have weak comparative advantage but rising RCAs show China's competitive situation improving. Also, gross export values overestimate the RCA compared to value-added values. A number of policy implications arise from these findings.

***Keywords:** service sector, globalization, service trade deficit, forward linkage revealed comparative advantage, value-added service exports*

1. Introduction

As a country develops, its service (tertiary) sector expands at the expense of the primary and secondary sectors. However, this expansion has not carried over to trade; while services account for 60 per cent of global production, it just creates 20 per cent of the value of world trade (WTO, 2012). Little

wonder then that trade analysis is heavily focused on the trade in goods. But this is changing, while the total global service exports was only US\$367.1 billion in the 1980s, this have increased to US\$4,861.5 billion by 2014, an increase of about 13.2 times and an average annual growth rate of around 8 per cent (WTO, 2015). Service trade is becoming the “new engine” leading global growth (WTO, 2013).

In addition, trade in services is also a source of trade diversification. With the costs of communications, travel and information flow continuously falling, it has become easier to create a service in one place and consume it in another place, thus increasing the tradability of services. Furthermore, service trade can generate high value added. According to data from OECD (2011), service sectors created 60 per cent of total value-added in developed countries. By 1999, over 60 per cent of the value of all cross-border mergers and acquisitions was generated by the service sector (UNCTAD, 2000).

At 6 per cent share of global service exports, China was the third largest exporter behind the US and UK. However, unlike its trade in goods, China’s service trade has been in deficit for 20 consecutive years from 1995 to 2015, and this deficit is growing. In 2014, China’s service trade deficit had increased to US\$159.9 billion, making it the biggest service trade deficit in the world (WTO, 2015). This together with the growing importance of this trade, provides strong grounds to examine China’s service export competitiveness.

This paper examines the issues surrounding China’s service trade. It is organized as follows. In the next section a brief review of relevant theories is followed by an account of empirical work on China. Section 3 deals with the methodology applied in this paper as well as the data used for estimation. In meeting one of the objectives of this paper, Section 4 reviews the development of China’s service exports using gross values as commonly measured. Using value added as well as gross service exports, Section 5 estimates revealed comparative advantage indices to assess the comparative advantage of each category of service exports. Section 6 concludes with implications of the findings for policies towards these export sectors.

2. Literature Review

Before the early 1990s, economists discussed the applicability of the comparative advantage principle to service trade through the factor-intensive approach (Hindley and Smith, 1984; Deardorff, 1984; Melvin, 1989; Jones and Ruane, 1990; Burgess, 1990). Deardorff (1984) confirmed the applicability of comparative advantage in service trade by using the Heckscher-Ohlin model. However, in the era of globalization, with the service trade structure shifting to capital and knowledge-intensive services, the

traditional trade theory has been found wanting in explaining trade in services and the issue of competitiveness in service trade.

Most early research on the competitiveness of service trade rely on indicators for making recommendations to enhance the competitiveness of service trade. For example, Sapir (1982, 1986) verified the applicability of comparative advantage in service trade and concluded that service sectors have different advantages among different countries. Since then, scholars have begun to use the revealed comparative advantage (RCA) index to analyze the competitiveness of a country's service trade (for example, Peterson and Barras, 1987; Zhao and Li, 2005).

In addition, services like trade logistics, trade insurance and finance depend heavily on the trade in goods. Thus, the relevant theory here is the theory of derived demand. As an economic term, derived demand describes the demand for a good or service resulting from the demand for an intermediate or related good or service.

In China, Chen and Li (2014) studied the competitiveness of the country's trade in services based on the different indicators of degree of openness (DO), market share (MS) index, revealed comparative advantage (RCA) index, and trade competitiveness (TC) index and found that China's service trade competitiveness in the world is very weak. Seyoum (2007) analyzed the international competitiveness of business, finance, transportation and tourism in the developing countries and proposed measures to enhance the competitiveness of the service industries. Zhao and Xu (2007) studied the international competitiveness of transportation services. A number of other service sectors have also been studied. Examples are Huang and Deng (2010) on financial services, Li and He (2012) on education services, and Yang (2009) on the transportation, tourism and architecture sectors.

Studies have also been undertaken using the value-added of goods exports instead of gross value of goods exports on the grounds that the value of imported intermediate goods should be excluded from the value of exports. Thus, Ma and Duan (2015) applied the world input-output table (WIOT) and TiVA database and found that China's domestic value-added is exhibiting a recovering trend in recent years. Li and Zhang (2015) applied the data from the OECD-WTO value-added trade database to analyze the revealed comparative advantage (RCA) of China's trade in services using value-added export data. Koopman, Wang and Wei (2012) also calculated sectoral RCAs from the perspective of value added.

Value added export data have been further refined but again applied only to the exports of goods. Using the Koopman, Powers, Wang and Wei (2010) approach¹, Brakman and Van Marrewijk (2017) determined the distributions of revealed comparative advantage (RCA) in terms of gross exports of goods and value added for 40 countries. They confirmed that the distributions of

RCA calculated with gross exports and the value added data they generated are indeed significantly different from each other.

In a significant departure from most studies focusing on goods trade, Wang, Wei and Zhu (2013) suggested further refinement of the value-added concept by distinguishing between indirect exports of a service sector's value added via aggregate exports from other service sectors of the same exporting country (forward linkage based value-added exports) and value added from all service sectors of a given exporting country embodied in a given service sector's gross exports (backward linkage based value-added exports). They used the forward linkage value added exports to calculate the RCA_F index for electrical and optical equipment in mainland China and the United States and compared them with the RCA index based on gross value exports.

3. Methodology and Data

Like a number of earlier studies on China, this paper uses the RCA index to measure the comparative advantage of a sector. This is an index used in international economics for calculating the relative advantage or disadvantage of a certain country in a certain class of goods or services as evidenced by trade flows. It is based on the Ricardian comparative advantage concept. It most commonly refers to an index, called the Balassa index, introduced by Balassa (1965). Balassa's (1965) RCA index is defined as the percentage share of a specific sector in national exports divided by the percentage share of that sector in world exports. The larger the RCA value, the stronger the international competitiveness of the service trade. This index is an important indicator to measure a country's comparative advantage in the world market. However, the traditional RCA index ignores both international and domestic production sharing. Thus, taking into account such production sharing, this study uses a new method – a forward-linkage based measure of value added service exports, which incorporates indirect exports of a service sector's value added embodied in other service sectors' exports. The reference standards

Table 1 The Criteria for Competitiveness of RCA Index

<i>Value of RCA</i>	<i>Competitive Judgement</i>
$RCA < 0.8$	Very Strong competitive disadvantage
$0.8 \leq RCA < 1$	Strong competitive disadvantage
$RCA \geq 1$	Has a revealed comparative advantage
$1.25 \leq RCA < 2.5$	Strong competitive advantage
$RCA \geq 2.5$	Very Strong competitive advantage

Source: Balassa (1977).

and meanings of the RCA index used in this paper refer to the standards established by the Japan External Trade Organization (JETRO).

3.1. Decomposition of Value Added Based on Forward Linkage

From the global value chain perspective, the traditional RCA index neglects the domestic and the international division of labour. Specifically, the traditional RCA index ignores the fact that a country-sector's value added may be exported indirectly through the country's export in other sectors. Furthermore, the traditional RCA index fail to deal with the fact that the gross export of a country's sector includes parts of foreign value (FVA and FDC). Therefore, this study will apply the correct measure of comparative advantage which includes indirect exports of a sector's value added via other sectors of the exporting country and exclude pure double counted terms in aggregate exports and foreign-originated value added.

After considering the domestic and international division of labour in production, the context defines a new indicator to measure the revealed comparative advantage of a country (short for "New RCA index" or RCA_value added). That is defined as the share of a country-sector's forward linkage based measure of domestic value added in exports in the country's total domestic value added in exports relative to that sector's total forward linkage based domestic value added in exports from all countries as a share of global value added in exports as proposed by Wang, Wei and Zhu (2013).²

3.2. Sample and Data

The updated (World Input-Output Database) WIOD provides the World Input-Output Table (WIOT) for the time series from 2000-2014, which covers 43 countries and 56 industry sectors.

The classification of trade in services in this paper is in accordance with the International Standard Industrial Classification (ISIC), Rev.4 categories. It separates the service industries into 12 sectors. The twelve sectors are construction, wholesale and retail trade, transportation and storage, accommodation and food service, information and communication, financial and insurance activities, real estate activities, professional, scientific and technical activities, administrative and support service activities, education, human health and social work, arts, entertainment and recreation.

3.3. China's Service Exports

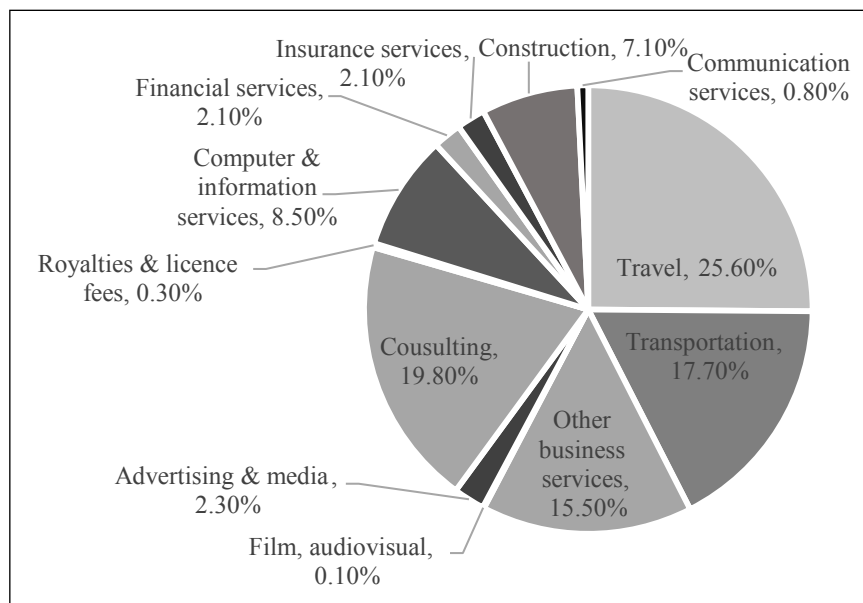
China's service trade has increased rapidly since its opening-up in 1978. Its service imports increased from US\$1.9 billion in 1982 to US\$382.1 billion

in 2014, with an average annual growth rate of 18 per cent, making China the second largest service importer next to the United States in 2014. Service exports also increase from US\$2.5 billion to US\$222.2 billion, an annual growth rate of 15.1 per cent. However, with the more rapid increase of service imports, the service trade deficit has increased. In 2014, the service trade deficit reached US\$159.9 billion, the largest in the world.

Currently, the main service export sectors are China's traditional service sectors like travel, transportation, construction and other business services. In 2014, the export share of these four sectors was 65.9 per cent of China's total service exports. The modern service industries such as consulting, financial services and computer and information technology also account for an important share of total service exports (34.1 per cent) as shown in Figure 1. Some modern service industries such as communication, insurance, film, audio visual, advertising and media, royalties and licence fees account for a small share of service exports, implying that these modern service industries lack competitiveness since the level of competitiveness of a country's services trade is related to the composition of the country's service trade sectors, that is the export and import of services (Yao and Fang, 2013).

Calculating China's service trade between 2000 and 2014 using gross value and value added methods shows that China's service exports calculated

Figure 1 Export Structure of China's Service Sectors



Source: China Statistics of Trade in Services 2014.

Table 2 Total Export Value of China's Service Trade Based on Different Calculation Methods, 2000-2014 (Unit: US\$ billion)

<i>Year</i>	<i>Conventional Value Method (SGX)</i>	<i>Value Added Method SDVA</i>	<i>Overestimated Rate (%)</i>
2000	518,86.82	458,03.38	13.28
2001	582,30.82	516,85.48	12.66
2002	719,13.37	632,83.70	13.64
2003	792,49.05	686,34.29	15.47
2004	976,43.07	831,26.23	17.46
2005	114,549.34	976,80.32	17.27
2006	144,732.14	122,741.45	17.92
2007	195,471.90	165,270.74	18.27
2008	255,588.64	219,028.95	16.69
2009	237,475.92	209,556.51	13.32
2010	296,103.20	257,097.85	15.17
2011	368,016.79	318,104.92	15.69
2012	398,304.97	347,987.89	14.46
2013	385,163.32	337,366.43	14.17
2014	398,128.29	353,227.44	12.71

Note: Overestimate Rate = (Service Gross Export Value (SGX) – Service Domestic Value Added Export Value (SDVA))/Service Domestic Value Added Export Value (SDVA) × 100 per cent.

Source: Author's calculation based on WIOTs.

in gross terms are higher than in value-added terms, the average overestimate being around 15.21 per cent, as shown in Table 2. This means a large number of intermediate goods have been double-counted in the calculation of gross exports. The value added statistical method removes this double-counting and is a better measure of the actual value of exports originating from China.

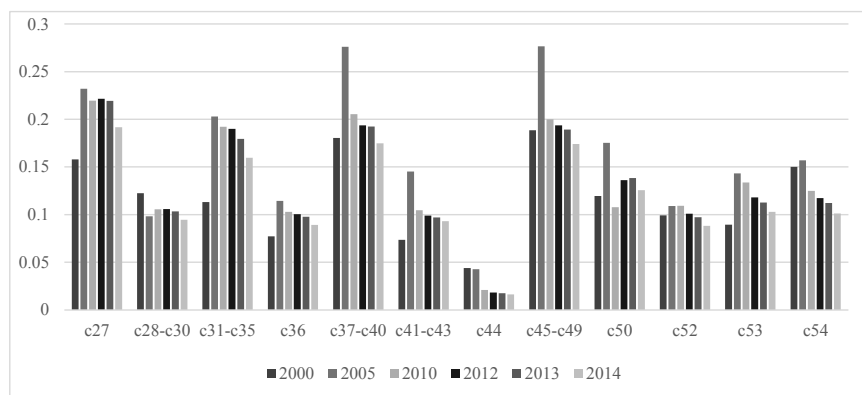
The overestimate rose from just under 13 per cent to over 18 per cent in 2007, declining thereafter back to what it was in 2000. The reason for this was changes in the sectoral composition of service exports. The overestimate rate displays an increasing trend from 2000 to 2007, after which the overestimate rate gradually decreases from the peak to the bottom point, that is 12.71 per cent in 2014. Despite the fact that the overestimate rate continuously declines after 2007, Liu and Wang (2017) also reported that the overestimate rate shows a downward trend from 2000 to 2014, which indicates that even though most of the incremental value is created by other countries, the domestic value added belonging to the home country is increasing. It shows that Chinese service industry is continuously moving upstream Liu and Wang (2017). However,

the proportion of overestimation is still greater than 10 per cent, which demonstrates that the gross value method contains a large number of repeated trade statistics, that is, a large number of intermediate goods are involved in the calculations. Therefore, it exaggerates the total export of China's service and thus is unable to present the real situation of China's service export.

As Table 2 shows, the total export value of China's service trade based on two different methods shows an increasing trend. Wang, Wei and Zhu (2013) decomposed bilateral exports into 16 value added parts and the double counting items. Since domestic value added (DVA) is a part of gross exports, the value of DVA is less than that of gross exports. When the export value calculated by the conventional value method is greater than the value calculated by the value added method, it will show an overestimate. The greater this difference, the larger is the overestimate rate.

For the twelve service sub-sectors, the overestimate using gross value ranges between 1.62 per cent and 27.7 per cent, as shown in Figure 2. The highest average overestimate rate appears in the construction sector, which confirms the findings of Liu and Wang (2017). However, this overestimate is gradually decreasing between 2000 and 2014, indicating that China's service

Figure 2 Overestimate Rate of China's Main Service Sectors Based on Two Different Calculation Methods from 2000-2014



Note: c27 is construction, c28-c30 is wholesale and retail trade, c31-c35 is transportation and storage, c36 is accommodation and food service activities, c37-c40 is information and communication, c41-c43 is financial and insurance activities, c44 is real estate activities, professional, c45-c49 is scientific and technical activities, c50 is administrative and support service activities, c52 is education, c53 is human health and social work activities, arts, c54 is entertainment and recreation.

Source: Author's calculation based on WIOTs.

industry is moving towards greater participation in segments of global value chains that capture a higher value (Liu and Wang, 2017).

According to Figure 2, some sectors such as construction, transportation and storage, accommodation and food service, human health and social work have overestimates that were rising. The rest of the service sectors such as information and communication, real estate activities, professional, scientific and technical, arts, entertainment and recreation show a decreasing overestimate trend. The overestimate rate of another two sectors, administrative and support services, remains unchanged around 10 per cent, while the education sector remains stable at 1 per cent.

These findings reveal both good and bad news for China's service exports. The good news is that with China's strengthening technological capability, technologically related services deficits are shrinking. The bad news is that other service deficits are either stagnant or rising. These findings need to be qualified in that estimated RCAs may well produce different results. It is to these RCAs that we next turn.

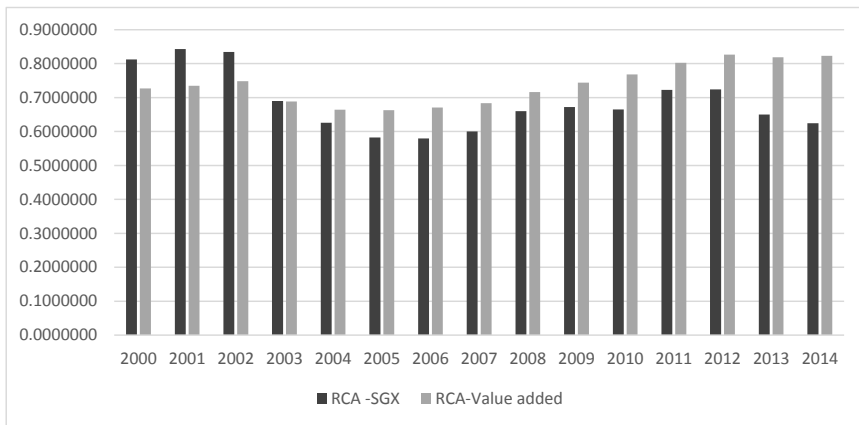
3.4. Measuring Export Competitiveness Using the RCA Index

The above deficits are at best indirect indicators of competitiveness. To directly measure export competitiveness of services, RCAs need to be calculated. Figure 3 shows the aggregate services exports RCA value based on conventional statistical method and value added (forward linkage) method. According to Figure 3, the RCA indices based on value added method in the last four years have been constant at around 0.8, which means that China's service trade still has a slight competitiveness disadvantage. As the figure shows, from 2000 to 2003 the estimated result based on gross value method overestimates the international competitiveness of China's service industry, hereafter the calculation result based on gross value method underestimates the international competitiveness level of China's service industry (Cao, 2016; Zheng and Yang, 2015).

Trade statistics of value-added focus on the production process and production line and it is more reasonable than the traditional gross trade statistics in measuring the scale of industrial trade. Therefore, it is acceptable to apply the RCA indices to reflect the competitiveness level of China's service industry based on the trade statistics of value-added.

RCA values of gross export and export value added (forward linkage) for China's service subsectors export have been calculated in Tables 3 and 4 respectively. It can be seen that no matter which method is applied, the RCA indices are less than 1, which means that the competitiveness of China's service trade is relatively weak. However, the RCA indices based on value added is continuously increasing over time and the gap between

Figure 3 RCA Indices of China’s Aggregate Services Based on Two Different Trade Statistics



Source: Author’s calculation based on WIOTs.

Table 3 RCA Indices of China’s Major Sectors Based on Gross Value Method

	2000	2002	2005	2007	2008	2009	2010	2011	2012	2013	2014
c27	0.91	0.89	0.93	1.23	1.29	1.20	1.29	1.52	1.46	1.31	1.16
c28-c30	1.20	1.29	0.81	0.79	0.93	1.06	1.01	1.15	1.23	1.10	1.11
c31-c35	0.79	0.79	0.67	0.73	0.76	0.76	0.77	0.80	0.76	0.72	0.66
c36	0.95	0.96	0.83	0.82	0.77	0.67	0.55	0.47	0.40	0.38	0.35
c37-c40	0.20	0.17	0.15	0.19	0.21	0.20	0.22	0.25	0.26	0.26	0.21
c41-c43	0.01	0.02	0.02	0.03	0.04	0.05	0.07	0.09	0.11	0.09	0.10
c44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c45-c49	1.24	1.22	1.05	1.18	1.26	1.23	1.17	1.17	1.06	0.86	0.84
c50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.05	0.05
c52	0.17	0.20	0.15	0.16	0.16	0.14	0.14	0.15	0.14	0.15	0.14
c53	0.00	0.00	0.00	0.36	0.35	0.26	0.23	0.22	0.19	0.22	0.18
c54	5.57	5.74	2.18	1.57	1.55	1.33	1.28	1.24	1.16	1.05	0.86

Note: c27 is construction, c28-c30 is wholesale and retail trade, c31-c35 is transportation and storage, c36 is accommodation and food service activities, c37-c40 is information and communication, c41-c43 is financial and insurance activities, c44 is real estate activities, professional, c45-c49 is scientific and technical activities, c50 is administrative and support service activities, c52 is education, c53 is human health and social work activities, arts, c54 is entertainment and recreation.

Source: Author’s calculation based on WIOTs.

Table 4 RCA Indices of China's Major Sectors Based on Value Added Method

	2000	2002	2005	2007	2008	2009	2010	2011	2012	2013	2014
c27	0.38	0.32	0.22	0.25	0.30	0.31	0.37	0.43	0.45	0.48	0.44
c28-c30	0.90	0.98	0.82	0.78	0.88	0.99	1.05	1.13	1.18	1.16	1.18
c31-c35	1.07	1.04	0.89	0.88	0.87	0.85	0.84	0.88	0.88	0.86	0.85
c36	1.16	1.22	1.27	1.25	1.25	1.16	1.05	0.98	0.97	0.94	0.93
c37-c40	0.42	0.42	0.43	0.43	0.38	0.32	0.30	0.31	0.31	0.31	0.30
c41-c43	0.74	0.67	0.58	0.77	0.85	0.85	0.89	0.94	0.97	1.01	1.04
c44	0.54	0.53	0.55	0.75	0.69	0.84	0.93	0.96	1.00	0.99	0.98
c45-c49	0.48	0.51	0.60	0.65	0.67	0.72	0.74	0.74	0.75	0.72	0.74
c50	0.01	0.01	0.02	0.02	0.02	0.03	0.03	0.03	0.05	0.04	0.04
c52	0.46	0.50	0.51	0.48	0.47	0.48	0.39	0.34	0.34	0.35	0.40
c53	0.56	0.61	0.91	1.00	0.84	0.64	0.44	0.35	0.29	0.30	0.32
c54	2.22	2.71	1.66	1.40	1.39	1.38	1.32	1.33	1.34	1.30	1.29

Note: c27 is construction, c28-c30 is wholesale and retail trade, c31-c35 is transportation and storage, c36 is accommodation and food service activities, c37-c40 is information and communication, c41-c43 is financial and insurance activities, c44 is real estate activities c45-c49 is professional, scientific and technical activities, c50 is administrative and support service activities, c52 is education, c53 is human health and social work activities, c54 is arts, entertainment and recreation.

Source: Author's calculation based on WIOTs.

the two statistical methods is gradually narrowing. This means that the competitiveness of China's service industry has progressively improved. The RCA indices based on the gross value is greater than those based on the value-added method in 2000, but this situation was reversed after 2003. Since the value-added method eliminates the double counting items of intermediate products, it reflects the real competitiveness situation of China's service industry (Koopman *et al.*, 2010).

Comparing the two different statistical methods, the RCA indices of some sectors calculated by gross value such as construction, wholesale and retail trade overestimate the real competitiveness of Chinese service industry. However, the international competitiveness of most of the sub-sectors of the Chinese service industry namely transportation and storage, accommodation and food service, information and communication activities, financial and insurance activities, real estate activities, professional, scientific and technical activities, administrative and support service activities, education, human health and social work activities, arts, entertainment and recreation appear to be underestimated.

After analysing, it is realized that the gross value method fails to reflect the real competitiveness level of Chinese service industry (Li and Zhang, 2015). The competitiveness of most sub-sectors of Chinese service industry is underestimated based on the gross value method. It indicates that the export competitiveness of Chinese service industry calculated by value added method is relatively stronger than calculated by gross value method (Cao, 2016). From the perspective of the whole service industry, the international competitiveness of Chinese service trade export is gradually increasing if estimated based on trade in value added.

From the discussion above, it can be seen that no matter which method is used, the RCA indices of sub-sectors are less than 1 except for the RCA indices of the arts, entertainment and recreation sector. It means that the international competitiveness of most sub-sectors is still at the level of competitive disadvantage. However, the comparative disadvantage of the sub-sectors has gradually reduced over time (Cao, 2016). The RCA indices of wholesale and retail trade, transportation and storage, accommodation and food services, financial and insurance activities, real estate activities remained at around 1, which means the comparative advantage of these sectors are at

Table 5 Variance between Two Different Statistical Methods from 2000-2014

	<i>Variance – Gross Value Method</i>	<i>Variance – Value Added Method</i>
c27	0.038	0.007
c28-c30	0.027	0.020
c31-c35	0.002	0.006
c36	0.044	0.015
c37-c40	0.001	0.003
c41-c43	0.001	0.023
c44	0.000	0.036
c45-c49	0.000	0.009
c50	0.016	0.000
c52	0.001	0.003
c53	0.000	0.055
c54	3.321	0.240

Note: c27 is construction, c28-c30 is wholesale and retail trade, c31-c35 is transportation and storage, c36 is accommodation and food service activities, c37-c40 is information and communication, c41-c43 is financial and insurance activities, c44 is real estate activities, professional, c45-c49 is scientific and technical activities, c50 is administrative and support service activities, c52 is education, c53 is human health and social work activities, arts, c54 is entertainment and recreation.

Source: Author's calculation based on WIOTs.

par with the international standard. However, the RCA indices of information and communication, education, human health and social work activities vary from around 0.2 to 0.5, which shows a weak comparative advantage. This is especially the case for the administrative and support service activities sector which appears to have the weakest comparative advantage. Hence one can see that the comparative advantage of Chinese service industry is still concentrated on the labour-intensive services, while the comparative disadvantage lies in capital and technology-intensive services.

Table 5 describes the different variances between gross value method and value added method. Since the gross value method is not the net value, the variance of most service sectors is larger than the variance calculated by value added method, such as construction, wholesale and retail trade, accommodation and food service activities, administrative and support service activities and entertainment and recreation.

As shown in Table 6, it can be seen that most of China's service sectors fall in the range of $RCA < 0.8$ except some sectors which have revealed comparative advantage, such as arts, entertainment and recreation, wholesale and retail trade, financial and insurance activities, which means that China's trade in service has a significant disadvantage globally; China still has a long journey to go to gain competitive advantage in the export of services (Dai, 2015).

Table 6 RCA Indices of China's Service Sectors Based on Value Added Method in 2014

Very strong competitive advantage ($RCA \geq 2.5$)	Strong competitive advantage ($1.25 \leq RCA < 2.5$)	Has a revealed competitive advantage ($1 \leq RCA < 1.25$)	Strong competitive advantage ($0.8 \leq RCA < 1$)	Very strong competitive disadvantage ($RCA < 0.8$)
None	c54	c28-c30, c41-c43	c31-c35, c36, c44	c27, c37-c40, c45-c49, c50, c52, c53

Note: c27 is construction, c28-c30 is wholesale and retail trade, c31-c35 is transportation and storage, c36 is accommodation and food service activities, c37-c40 is information and communication, c41-c43 is financial and insurance activities, c44 is real estate activities, professional, c45-c49 is scientific and technical activities, c50 is administrative and support service activities, c52 is education, c53 is human health and social work activities, arts, c54 is entertainment and recreation.

Source: Author's calculation based on WIOTs.

4. Comparing Data Estimates

Comparing RCA estimates based on the two data sets, the competitiveness of some sectors calculated by gross value overestimate the real competitiveness of some Chinese service sectors, such as construction, wholesale and retail trade. For most other sectors RCAs estimated using gross values underestimate their competitiveness. These sectors are transportation and storage, accommodation and food service, information and communication activities, financial and insurance activities, real estate activities, professional, scientific and technical activities, administrative and support service activities, education, human health and social work activities, arts, entertainment and recreation.

With RCA indices of sub-sectors less than 1 – construction, information and communication, scientific and technical activities, administrative and support service activities, education and human health and social work activities – regardless of the data used, the international competitiveness of these sub-sectors is still at a competitive disadvantage. However, this disadvantage has gradually reduced over time. The RCA indices of wholesale and retail trade, transportation and storage, accommodation and food services, financial and insurance activities, real estate activities remain at around 1, which means the comparative advantage of these sectors are on par with the international standard.

However, the RCA indices of information and communication technology, education, human health and social work activities vary from around 0.2 to 0.5, which show substantial comparative disadvantage. The administrative and support service activities sector appears to be the weakest. Hence, one can conclude that the comparative advantage of the Chinese service industry is still concentrated in labour-intensive activities, while its comparative disadvantage lies in capital and technology-intensive services, as also found by Cao (2016) and Chen and Zhang (2010). This paper draws on Zheng and Yang's (2015) method of dividing service industries mainly into labour-intensive, capital intensive, knowledge intensive and social. Labour-intensive includes construction, wholesale and retail trade, accommodation and food service activities. Capital intensive sectors are transportation and storage, information and communication technology, and real estate activities. Financial and insurance activities are knowledge intensive. Health, education and public services are social services.

From the above analysis, it can be seen that the sectors with low value added – information and communication technology, education, administrative and support service activities, human health and social work activities also have low RCAs, a double disadvantage.

5. Conclusion

RCA indices of Chinese service exports calculated using different definitions of exports (gross values and forward-linkage value-added) turn out to be less than 1 no matter which definition is used, suggesting that these exports suffer comparative disadvantage. However, estimates based on gross values of exports undervalue China's service exports' competitiveness. Further, these RCA indices have been increasing in recent years, suggesting that this comparative disadvantage is gradually diminishing, and should reach parity in the not too distant future.

Additionally, RCA indices based on forward-linkage value added for major service export sectors show that only the sectors wholesale and retail trade, financial and insurance activities, arts, entertainment, and recreation are less disadvantaged, but as indicated earlier their competitiveness is improving over time. The sectors that do relatively well belong to the more traditional service sectors, while others that require human capital depth, technology and capital suffer greater comparative disadvantage. Since ICT and other "knowledge-based" sectors not only have low RCAs but also low value added, this means China, in addition to efforts to strengthen RCA, also needs to move up the value chain in its production of these goods and services.

From a policy perspective, it could be argued that as China moves from labour intensive to higher value-added goods production and as its human capital base deepens, the comparative advantage of its service exports will likewise strengthen. However, rather than wait for this to materialize, policy measures to promote greater competitiveness for the wholesale and retail trade, transforming and upgrading the industry based on the new normal consumer demand and speeding up inter-industry integration can be attempted. For example, it could combine the wholesale and retail with high-tech industry, especially with the integration of the Internet industry. Integrative development can be achieved by gathering tourism industry with wholesale and retail, accommodation, entertainment and other services. However, specific policy prescriptions lie outside the scope of this paper.

Finally, future research should focus on the determinants of sectoral competitiveness so that the main drivers for China's services trade and the strengths and weaknesses of these drivers can be identified and policies developed to strengthen them.

Notes

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1. Koopman *et al.* (2010) took into account the international division of labour in their estimation of value added. They proposed a method to decompose a country's exports into domestic and foreign value added share based on a country's input-output (I/O) table.
2. The mathematics used in this method is not reported in this paper. Details are available in Wang, Wei and Zhu (2013) and Koopman, Wang and Wei (2014), and can be supplied on request.

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Appendix

Definitions for Variables

<i>Variable</i>	<i>Definition</i>
FVA	Foreign value-added
FDC	Foreign value-added pure double counting
VAX	Value-added export
RDV	Domestic value-added returns home
$vax_f_i^r$	Value-added exports of sector i from country r based on forward-linkage
$rdv_f_i^r$	Domestic value added of i sector of country r which is first exported but finally returned and absorbed at home based on forward-linkages
$\sum_i^n (vax_f_i^r + rdv_f_i^r)$	Sum of VAX and RDV for country i 's service industries export
$\sum_r^G (vax_f_i^r + rdv_f_i^r)$	Sum of VAX and RDV for service industry i 's export of the whole country
$\sum_r^G \sum_i^n (vax_f_i^r + rdv_f_i^r)$	Sum of VAX and RDV for whole service industries export for all countries in the world

Research Note

Self-rated Life Satisfaction of the Oldest-old in China: Do Intergenerational Relations Matter?

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Abstract

In 2010, China had a 21 million population of age 80 or over. This group of oldest-old adults deserves attention on their quality of life as long as the improvement on life expectancy is expected to continue. Thus, more and more people in China will move into this group. This paper examines the effects of intergenerational relations on the self-rated life satisfaction of the oldest-old in China by using the 2012 Chinese Longitudinal Healthy Longevity Survey data, a total of 6,530 respondents aged 80 or over. The dependent variable is from the responses of respondents on how do they rate their life. Various socio-demographic and health variables are included in the model as controlled variables. Intergenerational relations variables include living arrangement, family interactions and intergenerational transfer. Results from the SPSS GENLIN ordinal regression model showed that living arrangements and intergenerational transfers were statistically significant in affecting the self-rated life satisfaction after controlling for socio-demographic and health variables, while family interactions in terms of visited and/or contacted by children was not significant. The feeling of being cared for among those who lived with family members and interdependence between generations have a positive effect on self-rated life satisfaction. The traditional role of family in supporting the older persons continued to be an important contributor to the self-rated life satisfaction. With the exodus of the young to the cities, family care and support are likely to be eroding in the future. Hence, there is a need to enhance community support for the oldest-old.

Keywords: *Intergenerational relations; oldest-old; life satisfaction; intergenerational transfer*

1. Introduction

China has a population of 1.3 billion in 2010, with 13 per cent of the population aged 60 years or over, and have a 21 million population of age

80 or over (1.6 per cent). The number of oldest-old adults (age 80 or over) is projected to reach 32 million in 2025 (2.2 per cent) (United Nations, 2017). This group of oldest-old adults deserves greater attention on their well-being since the improvement in life expectancy is expected to continue.

Many factors contribute to the life satisfaction of older persons. This study will focus on the effects of intergenerational relations on self-rated life satisfaction of the oldest-old in China. Intergenerational relations include intergenerational transfers (remittances received from children, or financial assistance given to children), living arrangement, and family interaction (such as visited and contacted by children).

Many past studies found significant effects of intergenerational transfers on life satisfaction. The primary source of financial support from family members was found to be an important factor affecting the life satisfaction of the oldest-old (Li, Chen and Wu, 2008a). A study by Silverstein, Cong and Li (2006) found that older parents receiving greater financial transfer from children were more satisfied with their lives than others. However, receiving financial assistance from children may not warranty a higher life satisfaction for the older persons, the ability to provide financial assistance to children may make them more satisfied with their lives. A study on Malaysians aged 60 and over found older persons without assistance from or to children had the lowest expected life satisfaction, while those with assistance from children and to children had the highest expected life satisfaction (Ng and Tengku-Aizan, 2013).

Living with children can be considered as a source of support for older persons. Subjective well-being of the oldest-old was found to be closely associated with their living arrangement (Chen and Short, 2008; Li, Chen, and Wu, 2008b; Wang, Chen and Han, 2014; Zhang, 2015; Zhang, Fu and Chen, 2014). Living alone is associated with lower subjective well-being, whereas co-residing with the immediate family (spouse or children) is associated with positive subjective well-being (Chen and Short, 2008; Li, Chen and Wu, 2008b). A study utilizing data from the 2000 Population Census of China and the 2011 Chinese Household Ethnicity Survey on rural Chinese aged 50 or older in seven Western provinces of China, found co-residency with children increases the happiness of the elderly (Connelly *et al.*, 2014). For the widowed elderly, co-residence with adult children was associated with better life satisfaction to living alone, or living with a spouse only; but for the married elderly, co-residence did not necessarily bring additional benefits to their psychological well-being (Wang, Chen and Han, 2014). Family interactions or support are important determinants of life satisfaction (Li, Chen, and Wu, 2008b; Zhou *et al.*, 2015; Pang, 2015; Liu, 2015).

This study investigates the effects of intergenerational relations on the self-rated life satisfaction of the oldest-old in China. It is hypothesized

that intergenerational transfers, family interactions, and living with family members have positive effects on the life satisfaction of the oldest-old.

2. Methods

This study utilizes a secondary database from the 2011-2012 Chinese Longitudinal Healthy Longevity Survey (CLHLS), which was conducted by Peking University's Center for Healthy Aging and Family Studies and the China National Research Center on Aging, with support from the U.S. National Institute on Aging. This study will focus on the oldest-old respondents aged 80 or over in China.

The dependent variable, self-rated life satisfaction, was measured by the responses from respondents on how they rate their life. It ranged from *very good* (1) to *very bad* (5). To ensure enough cases, responses *bad* (4) and *very bad* (5) were combined for the multivariate analysis.

Three independent variables were used in the study to reflect the intergeneration relations. Intergenerational transfers comprised financial transfer between parents and their children and/or grandchildren. It was divided into four categories: (i) assistance to children/grandchildren only; (ii) assistance from children/grandchildren only; (iii) assistance from children/grandchildren and to children/grandchildren; and (vi) no assistance from or to children/grandchildren. The reference group was no assistance from or to children/grandchildren. Family interactions were measured by whether respondents had been visited and/or contacted by their children. It comprised (i) visited or contacted by sons or daughters; (ii) visited and contacted by son only; (iii) visited and contacted by daughter only; (iv) visited and contacted by both son and daughter; and (v) neither visited nor contacted by children. The reference group was neither visited nor contacted by children. Additional control variables included the respondent's age (80-89, 90-99, 100+, reference group was 100+), sex (1 = male), place of residence (city, town, rural, reference group was rural), marital status (1 = currently not married), education (1 = no education), perceived health status (good, so so, bad, reference group was bad).

All analyses will be performed using the SPSS software. Descriptive statistics is used to describe the socio-demographic background and perceived health status of the respondents. The SPSS GENLIN ordinal regression is used to estimate the effects of the intergenerational relations on self-rated life satisfaction, controlling for socio-demographic factors and perceived health status. The ordinal regression analysis is appropriate in this context because the dependent variable, self-rated life satisfaction is an ordinal variable.

3. Results

Table 1 shows the socio-demographic and perceived health status of respondents. The age of respondents ranged from 80 to 114 years, with a mean of 92.2 years and standard deviation of 7.7 years. Majority of respondents were below 100 years old. There were more females than males. About 77 per cent of respondents were currently not married. Slightly more than half of the respondents were from the rural area, followed by about 30 per cent of respondents from town area and the rest were from the city. Nearly 70 per cent of respondents did not go to school. Some 44 per cent of respondents perceived themselves to be either in good or very good health status, followed by 38 per cent of respondents who perceived their health as 'so so', and the rest, 18 per cent, perceived themselves to have bad or very bad health status.

Table 1 Percentage and Frequency Distribution of Respondents by Socio-Demographic Factors and Perceived Health Status

<i>Socio-Demographic Factors and Perceived Health Status</i>	<i>Per cent</i>	<i>n</i>
Total	100.0	6530
Age group (years)		
80–89	40.4	2640
90–99	37.3	2433
100+	22.3	1457
Gender		
Male	40.1	2620
Female	59.9	3910
Marital status		
Currently married	22.9	1481
Currently not married	77.1	4974
Place of residence		
City	17.4	1137
Town	29.7	1938
Rural	52.9	3455
Education		
No education	68.1	4447
With education	31.4	2048
Perceived health status		
Very good	9.3	541
Good	35.1	2034
So so	37.6	2180
Bad	16.4	951
Very bad	1.6	90

Some 17 per cent of the respondents rated their life as very good, 46 per cent reported as good, about a third reported as so-so and only 6 per cent reported as bad or very bad. Table 2 shows the percentage distribution of self-rated life satisfaction of the oldest-old according to their living arrangement, intergenerational transfer and family interaction. The bivariate analyses showed that the oldest-old who lived with family members were more likely to rate their life as good or very good than those who lived alone. The oldest-old who gave assistance only had the highest percentage of rating their life as very good, while those who neither give assistance nor receive assistance had the lowest percentage of rating their life as very good, and having the highest percentage of bad or very bad self-rate life satisfaction. Those oldest-old had been visited and contacted by daughters had the highest percentage of rating their life as very good or good.

The bivariate analyses show that living arrangement, intergenerational transfer and family interaction had significant effects on the life satisfaction of the oldest-old. Two ordinal logistic regression models were used to determine the independent effects of living arrangement, intergenerational transfer and family interaction (controlled for other variables) on self-rated life satisfaction of the oldest-old. Table 3 shows the parameter estimates of the two models.

The results in Model 1 show that the coefficients for living arrangements and intergenerational transfers were statistically significantly different from zero at $p < 0.05$. The positive coefficient of living arrangements indicate that respondents who lived with family members were more likely to be in very good self-rated life satisfaction than those who lived alone. Similarly, all the positive coefficients of intergenerational transfer also indicate that respondents who provided assistance to children/grandchildren, or provided and received assistance to and from children/grandchildren tended to have very good self-rated life satisfaction than those who neither provided assistance to nor received assistance from children/grandchildren. However, there was no statistically significant difference in self-rated life satisfaction among those who received assistance only and those who neither provided assistance to nor received assistance. Family interactions in terms of visited and/or contacted by children was found to be not statistically significant in affecting the self-rated life satisfaction.

Model 2 in Table 3 shows the influence of living arrangement, intergenerational transfer and family interaction on self-rated life satisfaction after controlling for socio-demographic factors and perceived health status. The results for Model 2 are similar to the results in Model 1. Further observation shows that the size of the coefficients for living with family members became bigger after controlling for socio-demographic factors and perceived health status; this implies that after taking into account the socio-demographic factors and perceived health status, the effects of living arrangement increased.

Table 2 Percentage Distribution of Self-Rated Life Satisfaction by Living Arrangement, Intergenerational Transfer and Family Interaction

<i>Variables</i>	<i>Self-rated life satisfaction</i>					<i>n</i>
	<i>Bad or very bad</i>	<i>So so</i>	<i>Good</i>	<i>Very good</i>	<i>Total</i>	
Living arrangement##						
Alone	8.5	35.9	41.5	14.0	100.0	1254
With family members	4.5	31.0	47.2	17.3	100.0	4531
Intergenerational transfers##						
Giving assistance only	4.3	24.8	41.0	29.8	100.0	161
Receiving assistance only	5.8	32.9	46.5	14.8	100.0	3335
Both giving and receiving	2.6	28.2	45.7	23.5	100.0	973
Neither giving nor receiving	6.4	33.8	45.4	14.4	100.0	1316
Family interaction#						
Visited or contacted by sons or daughter	7.9	34.8	41.0	16.3	100.0	644
Visited and contacted by sons only	3.6	34.4	46.8	15.2	100.0	645
Visited and contacted by daughters only	6.0	27.4	48.7	17.8	100.0	796
Visited and contacted by sons and daughters	4.6	32.1	46.5	16.8	100.0	3109
Neither visited nor contacted	7.4	32.8	43.5	16.2	100.0	591
Total	5.4	32.1	45.9	16.6	100.0	5785

Note: # p<0.05; ## p<0.001.

Table 3 Ordinal Logistic Regression Results for Self-Rated Life Satisfaction Regressed on Living Arrangement, Intergenerational Transfer and Family Interaction and Selected Socio-Demographic Variables and Perceived Health Status

<i>Parameter</i>	<i>Model 1 b (se)</i>	<i>Model 2 b (se)</i>
Living arrangement		
With family member	0.334 (0.060)###	0.396 (0.065)###
Intergenerational transfer		
Giving assistance only	0.676 (0.157)###	0.413 (0.162)#
Receiving assistance only	0.037 (0.062)	0.085 (0.064)
Both giving and receiving	0.471 (0.080)###	0.427 (0.083)###
Family interaction		
Visited or contacted by son or daughter	-0.112 (0.107)	-0.083 (0.112)
Visited and contacted by son only	0.023 (0.107)	0.025 (0.111)
Visited and contacted by daughter only	0.159 (0.102)	0.119 (0.106)
Visited and contacted by son and daughter	0.083 (0.085)	0.050 (0.089)
Age		
80-89		-0.181 (0.075)#
90-99		-0.126 (0.073)
Male		-0.135 (0.062)#
Currently not married		0.122 (0.069)
Place of residence		
City		0.539 (0.073)###
Town		0.191 (0.058)##
No education		-0.240 (0.064)###
Self-rated health		
Good		2.282 (0.078)###
So so		0.759 (0.074)###
Threshold [QOL = bad or very bad]		-1.590
[QOL = so so]		1.074
[QOL = good]		3.622

Note: #p < .05; ##p < .01; ###p < .001.

However, the coefficients for giving assistance only, and both giving and receiving assistance became smaller after controlling for socio-demographic factors and perceived health status; thus the effects of these two parameters decreased after taking into account the socio-demographic factors and perceived health status.

In Model 2, given other variables remain constant, the odds of respondents who lived with their family members rated their life satisfaction as very good was 1.49 ($e^{0.396}$) (95 per cent CI; 1.31-1.69) times of those respondents who lived alone, a statistically significant effect (Wald $\chi^2_{(1)} = 37.01$, $\rho = 0.000$). The odds of respondents with assistance from and to children/grandchildren rated their life satisfaction as very good was 1.53 ($e^{0.427}$) (95 per cent CI; 1.30-1.80) times of those respondents with no assistance from and to children/grandchildren, a statistically significant effect (Wald $\chi^2_{(1)} = 26.52$, $\rho = 0.000$), while the odds of respondents who gave assistance to children/grandchildren only rated their life satisfaction as very good was 1.51 ($e^{0.413}$) times (95 per cent CI; 1.10-2.08) of those respondents with no assistance from and to children/grandchildren, a statistically significant effect (Wald $\chi^2_{(1)} = 6.488$, $\rho = 0.011$). However, there was no statistically significant differences in self-rated life satisfaction between respondents who received assistance from children/grandchildren only and those respondents with no assistance from and to children/grandchildren.

4. Discussion and Conclusion

The results of this study indicates that family interaction is not statistically significant in predicting self-rated life satisfaction in the oldest-old after controlling for socio-demographic factors and perceived health status. This may be partly due to the oldest-old needing assistance/support in daily life activities immediately from family members rather than the attention from family members. This is further confirmed by the findings that the oldest-old who lived with family members had a higher probability of rating their life satisfaction as very good than those who lived alone. This finding supports the studies by Chen and Short (2008), Li, Chen and Wu (2008 (b)), Connelly *et al.* (2014) where co-residence with family members is associated with positive subjective well-being.

While the study by Silverstein, Cong and Li (2006) in rural China found that parents who received greater financial transfer from adult children are more satisfied with their lives, the current study found that the oldest-old rated their life satisfaction as very good when they provided assistance to children/grandchildren and received assistance from children/grandchildren. This is consistent with the findings by Ng and Tengku-Aizan (2013) on Malaysian older persons aged 60 or over. The results indicate the importance

of interdependence between generations in later life. The feeling of being wanted and being taken care of enhance the life satisfaction of the oldest-old in China.

The traditional role of family in supporting older persons continues to be an important contributor to the self-rated life satisfaction. With the exodus of the young to the cities, family care and support are likely to be eroded in the future. Hence, there is a need to enhance the community support for the oldest-old.

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Book Review

Book Review

Fang, Chuanglin and Yu, Danlin, *China's New Urbanization: Development Paths, Blueprints and Patterns*, Beijing: Springer and Science Press, 2016, xix + 329 pages. ISBN 978-3-662-57010-4 (softcover)

In a country of 1.4 billion people, documenting urbanization in China is a herculean task. Yet China's urbanization contributes to both global sustainability and is a key driver of China's future growth and deserves an in-depth analysis. This book represents an attempt to do this. Through a logical and comprehensive analysis, the book depicts what is new about China's urbanization. From its historical development review to an empirical quantitative analysis, the book helps readers to better understand China's urbanization process, one that contains both failures and successes that can offer lessons for city development.

The book firstly reviewed China's past urbanization path and development bottlenecks. Through identifying four stages of urbanization, the authors found China's urban development to be at the second stage of urbanization, which is marked by fast urbanization growth higher than the global average. However, China's performance in urbanization, though remarkable, suffers major drawbacks. China's cities are now in the throes of major problems such as traffic congestion, residential pressure, polluted environment, unplanned expansion and so on. The authors also criticized Chinese urbanization as "Pseudo-Urbanization", i.e., it is just about quantitative expansion and not about quality. It is government-led, passive, and natural resource consuming. The sustainability of China's urbanization is therefore questioned. Using simulation analysis, the authors found that to support future China urbanization at the current pace, considerably more energy than current consumption is required. For instance, water demand is forecasted to increase by 70-100 per cent in the future. In addition, serious land shortage and environmental challenges will also curb China's development. It is therefore important for China to come out with its new urbanization plan within which urban capacity should be fully taken into consideration. Furthermore, new urbanization should be distinguished from blind city expansion with unrealistic land development projects. The new urbanization management mechanism, highlighted by the authors, should be put in place to ensure sustainability.

The second chapter discussed the new urbanization mode by comparing it with the old. Basically, the new urbanization mode maps out a quality-

oriented, people-oriented, intensive land-use, step-by-step, market-guided, and sustainable urbanization. Instead of pursuing an increase in numbers, the focus of future urbanization is improving urban quality. The affected population is encouraged to participate in the policy-making process, and should play an active role in developing the city. Spatial concentration and agglomeration economic development helps to foster efficient land-use. Comprehensive urban development calls for sequential long-term plans rather than the one-step project-based urban sprawl. The market mechanism guides financing land acquisition and development. Energy and natural resource conservation (i.e. low-carbon emissions) ensure the sustainability of urbanization. The chapter also reviews the historical development of urbanization in China, where a combination of planned economy, government authority centralization, and domestic chaos led to stagnated urbanization in its initial stages. Over a long-time, China intentionally refrained from large city development in order to achieve balance through the development of medium and small cities. In the tenth Five-Year Plan, however, it began diversifying urban development based on local characteristics. The coordinated development of large, medium and small cities was later put forward to promote megacities and regional development. The latest plan is designed to intensify land-use and enlarge the spill-over effects of large cities or regional centered city to promote growth of its surrounding areas.

Using empirical research, Chapter 3 details how to achieve the new urbanization in China. The authors argue that to do so, China has to first slow down its urbanization to 0.6-0.8 per cent and promote intensive land-use to produce a future compact city plan. This will require economic restructuring. Tertiary sector development reduces natural resource and energy consumption, while the use of advanced green technology reduces the emission and decomposition of carbon. In addition, new urbanization needs comprehensive analysis of local conditions to avoid a “one model fits all” syndrome. The authors detailed three types of growth modes: Endogenous Circulating Mode (ECM), City Dwelling-Pasture Grazing Mode (CDPGM), and Urbanization Based on Mining Mode (UBMM) for three specific types of regions, namely agricultural-oriented area, pasture area and mining area respectively. For ECM, urbanization is suggested to be promoted with agro-industrial development. CDPGM and UBMM concentrate on scattered rural or urban communities. People-orientation and government intervention have to be embedded in all these three modes. Further, the leverage of “Belt and Route” to further prosper domestic regions should be grasped by the local governments. Finally, to achieve coordinated rural urban development and form hub-to-spoke development pattern, large cities should be key social-economic drivers for their surrounding medium and small-scale cities.

Meanwhile, to reduce rural and urban developmental inequality, rural reconstruction should be undertaken, enlisting local grassroots support, thereby igniting spontaneous and gradual urbanization.

Chapter 4 discussed the agglomeration economy in China, considered the future driving force to pursue New Urbanization. Initiated in 2012, urban agglomerations have increased from 3 to 20 in the latest urbanization plan (“New National Urbanization Plan 2014-2020”). The five national urban agglomerations include the Yangtze River Delta, Pearl River Delta, Beijing-Tianjin-Hebei, Chengdu-Chongqing, and Middle Reach of Yangtze River. The most urbanized, strongest economy and densest population face a challenge of the deteriorating environment, and resource scarcity. Only compact urban spatial development with economic restructuring will enable their further urbanization. Nine regional urban agglomerations are scattered around the nation to promote balanced regional development. Another six sub-regional urban agglomerations are concentrated in middle and west China. Through railways, they are closely connected forming a comprehensive urbanization network, dubbed as “axes connect agglomerations and agglomerations support axes” national urbanization mode. Beyond the spatial urbanization layout, New Urbanization also emphasized the pyramidal urban hierarchy system. With urban scale going from large to small, their numbers should be shaped like a pyramid. The most numerous small cities form the base, while large cities, fewest in number, form the top of the pyramid. However, the authors found that the number of small cities increased more slowly than large cities, resulting in a pyramid that is increasingly top-heavy. Hence, future urbanization requires China to slow down mega or large city expansion and instead develop small cities. For the eastern China, quality-oriented urbanization based on industrial restructuring is highlighted. Middle China is expanding its mega and large cities to absorb more population. The radiating effects of these large cities boost the surrounding areas. The western areas are focused on coordinated urban-rural development through numerous town agglomerations to achieve further urbanization.

Beyond urban agglomeration, the authors further brought in regionalization to achieve comprehensive urbanization. Using quantitative analysis of economic scale and population density, and taking into account local characteristics and developmental mode, the authors further divided China’s urban areas into urban agglomeration regions, food production agglomeration regions, agricultural forestry and pastoral regions, poverty contiguous regions, and ethnic minority autonomous regions. The urbanization priority of each region differs. Food security, rural-urban coordination, sound public facility and infrastructure, and social stability are the main urbanization targets for the food production agglomeration regions, agricultural forestry and pastoral

region, poverty contiguous region, and ethnic minority autonomous regions respectively.

As already mentioned, China, despite its fast urbanization growth, has been criticized for its quality of such growth. To address this issue, the authors in the last chapter examined urbanization quality through the use of the quantitative social index, spatial index and economic index. Empirical analysis on China confirmed that China's urbanization is in the medium stage which it reached in 1991. On the macro-level, since 1991, China's urbanization rate surpassed 30 per cent and its quality of urbanization rate reached 41.8 per cent. The urbanization quality index indicated China's past urbanization is driven mainly by spatial expansion and natural resource consumption. However, with these becoming increasingly difficult, the future driving force for expansion would have to come from economic restructuring to optimize resource use, and economic efficiency improvement. Cities like Beijing whose urbanization quality fell far short of its pace of urbanization should limit further urbanization. Urbanization can still occur in cities like in Hebei and Shanxi where urbanization quality has been better than their urbanization rates.

In summary, the book covers three main themes: 1) a new urbanization mode by reviewing the historical development of urbanization in China, 2) urban agglomeration and regionalization to speed up urbanization, and 3) quantification of China's current urbanization to come out with strategies for future development. It was found that China experienced extensive urbanization in its early stages until now. Despite the growing scarcity of land, energy and natural resources, it achieved fast growth of urbanization. However, limitations imposed by environmental degradation and urban over-capacity led China to seek out new and better ways to urbanize. Regional balance, people-oriented, and attention to local characteristics in urban development is challenging the "One model fit for all" urbanization model. Policy-makers have also to take food security, social stability, environmental sustainability and rural-urban integration into consideration when planning urbanization. The important role of local governments in promoting past urbanization also needs reform to prevent the future pursuit of unbridled urbanization.

Overall, the book has examined China's urbanization from various perspectives. It undertook a historical development review, culture value analysis, spatial discussion and social, economic and environmental quantitative analysis. Through combining both quantitative and qualitative methods, the authors have done a good job narrating China's current urbanization issues and future development trends to yield implications for policy. The comprehensiveness of the narrative notwithstanding, if there is anything a

reader may still ask for, it would be brief cases of cities that fit or fail to fit the new urbanization paradigm, and which would give concrete substance to the arguments advanced.

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