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CHINA IN THE 21ST CENTURY: REGIONAL OR GLOBAL POWER?

It is not easy to assess current policies and the international role and place of the People's Republic of China (PRC). Its spectacular economic successes attract public attention worldwide and give rise to many questions on the future of China and its role in the new international order. China's activities, declarations and place in the international arena do not lend themselves to any categorical classification. China, for many reasons classed as a developing country, has more and more visible power attributes. Its pragmatic diplomacy makes use of China's "dual role", depending on the situation and its needs. The PRC either underlines its growing potential or emphasises its numerous problems in internal modernisation. Moreover, while underlining its will to develop peaceful relations with regional and global partners, China invests in further development and modernisation of its military potential, which gives rise to concerns and mistrust of the international community. China does not follow any historic path to power. It has resigned from any close alliances and, instead, maintains a network of "strategic partnerships". It pursues active and assertive foreign policy avoiding violent confrontations. Finally, its "modernisation without westernisation" development model and many other components of Beijing's strategy, make clear that China follows its own way. Forecasts concerning China and its future influence on the global order are often not free from simplifications and sometimes radical evaluations. On the one hand, the PRC is presented as the last stronghold of ideology discredited after the collapse of the Soviet Union and depicted as a regime supporting "rogue states" and indifferent to human rights. On the other hand, assessments point to the growing economic potential of the Middle Kingdom and thus benefits that this process might yield at the regional and global level. All experts agree on one issue: a future international order cannot be envisaged without an active, though not necessarily dominant, role of China.

Global economic recession which started in 2008 significantly contributed to revealing the international role of the PRC. Not only did China come away unscathed from global recession. It has become an important economic stabilising power in Asia and it has not ceased to finance the growing American public debt. Without any force demonstration, assertively and discretely, using mainly economic instruments in its foreign policy, China consolidated its regional power status. The divide between Beijing and Moscow has deepened, and the dependency of ASEAN

economies on Chinese investments has grown. Circumstances that helped the PRC pursue its interests increased expectations of the international community toward the Middle Kingdom. While the West keeps wondering whether the future will bring a global "Chinese threat" or, rather, Beijing's "responsible involvement" in stabilising a global order, the PRC is amidst a difficult process of redefining its foreign policy concepts. China's foreign policy requires adaptation to China's completely new potential and geographical expansion of China's interests.

RUSSIA AND CHINA: A COMPLICATED STRATEGIC PARTNERSHIP

A Russian analyst said: "The Chinese are very clever. They treat Russia like a superpower even if they behave like it is not; they pretend that Russia is a co-leader of the SCO [Shanghai Cooperation Organisation] even if it's not. This goes down well here [in Russia]"[1]. In fact, the Chinese consistently uphold that Moscow and Beijing are equitable partners, even if in practice China's activities lead to decreasing Russia's influence in the region.

Already at the turn of the 1990s, China adopted an assertive position on its collapsing Russian neighbour. For the first time in the history of China-Russia relations, Beijing was capable of implementing some of its interests through bilateral agreements. This was clearly exemplified by the revision of the eastern part of the Chinese-Russian border, the line of which was moved; its earlier run specified in previous agreements was informal and unbeneficial to the PRC.[2] Although it took over a decade to reach agreement on various issues, Russia finally accepted the terms China negotiated with the Soviet Union.[3] In regard to territorial issues, Beijing was satisfied with that success and did not put forward any other claims to Russia, irrespective of the fact that in 1973, Deng Xiaoping, speaking to the UN General Assembly, underlined that China only sought the return of a "few square kilometres here and there", which was a reference to the area of approx. 33,000 km^2 which was under the jurisdiction of the Soviet Union at the time.[4] Theoretically, the political upheaval and chaos of transformation accompanying disintegration of the Eastern Bloc gave China an opportunity to present and execute greater claims than the PRC

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[1] After: B. Judah, J. Kobzova, N. Popescu (2011), *Dealing with a post-BRIC Russia,* European Council on Foreign Relations, p. 37.

[2] В. Л. Ларин, В тени проснувшегося Дракона. Российско-китайские отношения на рубеже XX-XX*I* веков Vladivostok, 2006, p. 139.

[3] The Soviet-Chinese agreement on this issue was signed in May 1991 and additional negotiations were not closed until 2004. From the perspective of law, Russia accepted the agreement in 2005. See: О ратификации Дополнительного соглашения между Российской Федерацией и Китайской Народной Республикой о российско-китайской государственной границе на ее Восточной части, No. 52-53, 31 May 2005.

[4] *Quarterly Chronicle and Documentation*, *(*1974) "The China Quarterly" No. 59, p. 656, after: E. Hyer (1996), *The Sino-Russian Boundary Settlement,* "Boundary and Security Bulletin" No. 2, p. 90.

actually did. The ever valid memory of having been "humiliated" by Western powers for a century and the urge to revise "unequal treaties" imposed on China by, among others, the Russian empire, were not decisive for Chinese actions on the international arena. To put it simply, the collapse of the Soviet Union had two very significant and very alarming, in the opinion of Beijing authorities, consequences: significant decrease of the region's political stability and a possibility that dangerous pro-Western reformist attitudes would become popular with the Chinese society. At the time, Wan Li, National People's Congress Chairman, said that China's economic development needed a peaceful international environment and therefore, China wanted to be on good terms with all other countries.[5] The most important objective was to shape and strengthen stability in countries around China and it required cooperation with the Russian Federation. Already in the second half of the 1990s, Moscow and Beijing announced their "strategic partnership". As a result, both states started to adopt similar positions on regional issues and a future international order that was to replace the Cold War order.[6] This raised serious concerns among Western observers, despite the fact that the "strategic partnership", not devoid of competition, practically did not cover any major economic projects and was not a political or military alliance targeting any third countries.

Already in the 1990s, first symptoms of China's advantage over Russia became visible. They were mainly connected with huge differences in the pace of economic development of the two countries. Until the second half of the 20th century, however, that gap was not clearly perceptible. That was primarily due to a conventional perception of the Russian Federation as a state which might not have been a superpower like the Soviet Union but was an important "stabilising" power in the region. Also the non-confrontational and "modest" approach of increasingly powerful China, whose diplomacy continued to adhere to the principle of concealing one's capabilities formulated by Deng Xiaoping, contributed to that situation.[7] In the beginning of the 21st century, China's considerate passiveness in foreign policy changed to

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[5] After: N. Kuhrt (2007), *Russian Policy Towards China and Japan. The El'tsin and Putin periods,* New York, p. 12.

[6] This refers primarily to limiting the influence of Western states in Asia and the joint Sino-Russian support for multilateralism in international relations. The most important areas where China and Russia have converging interests are: human rights (any Western campaigns against human rights violation in Russia and China are perceived as an attempt to interfere in those states' internal affairs), ethnic minority rights in Russia and China (fighting separatist trends is a priority for both states while reactions to Western interventions concerning ethnic minorities are driven by the same logic as responses to campaigns against human rights violation), limiting US influence (this concerns mainly NATO enlargement and US activities in Central Asia), disapproval of all unilateral decisions (including those taken mainly by the US) that influence a global situation. More in: R. Menon (2009), *The China-Russia Relationship: What It Involves, Where It Is Headed and How It Matters for the United States,* New York, pp. 13-16.

[7] Deng Xiaoping, in his famous "28 characters", outlined China's foreign policy strategy. This strategy encompassed only seven guidelines, one of which was the "concealment of one's capabilities" from other international players (*tao guang yang hui*). Cf. Q. Zhao (2001), *Chinese Foreign Policy in the Post-Cold War Era,* "World Affairs" No. 159(3), p. 114.

a more active approach. A real breakthrough took place in the second half of the first decade.[8] On the one hand, Beijing adjusted its strategy to its increased capabilities thanks to China's growing economic potential. On the other hand, the persisting economic crisis did not affect China as much as other states and that enabled China to execute its interest objectives. In practice, it meant that China's position in relation to the Russian Federation grew stronger. It also meant that a change in the balance of powers accelerated in Asia.

This change, favourable for China, can be traced in new developments taking place in Central Asia. Countries of the region, traditionally perceived to be Russia's zone of influence, are in majority members of the Shanghai Cooperation Organisation. The SCO is the most important cooperation platform of Moscow and Beijing in the region. It is also a structure where contradicting interests of China and Russia are most tangible. In the first half of 2000, Beijing proposed to establish a free market in the SCO territory. Russia could not accept that proposal as the PRC had economic advantage over the Russian Federation. Moscow, in turn, suggested that the organisation should be transformed into a military alliance, which was completely uninteresting for China.[9] None of those proposals has been implemented so far, yet the economic and, what follows, political influence of China in the region keeps growing. At the same time, Russia's real capacity to influence Central Asian countries has decreased markedly. Firstly, already in 2007, a Turkmenistan-China agreement on natural gas supply to China was signed. Despite persisting recession, in 2008, the construction of a gas pipeline necessary to execute the signed agreement began. The investment was financed to a large extent by China. Kazakhstan and Uzbekistan expressed their interest in joining the Turkmen-Chinese deal.[10] The first section of the pipeline was opened at the end of 2009. Russia had no possibility of hindering its launch and thus had to give up its monopoly of distribution and transport of blue fuel in Central Asia. Considering the frequent use of Russia's raw materials arguments in Russian political activities, that was a painful loss. Secondly, China's presence in the Central Asian natural gas market was only a prelude to a large-scale investment campaign. Already in the first quarter of 2010, the PRC spent billions of dollars on loans granted to Central Asian republics and infrastructure investments in the region. The latter were mainly to develop national energy sectors and most funds were allocated to Kazakhstan.[11] Central Asian countries readily took the opportunity

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[8] More in: M. Pietrasiak, D. Mierzejewski, *Między wzrastaniem a harmonią – uwagi o chińskiej polityce zagranicznej,* in: M. Pietrasiak, D. Mierzejewski (eds) (2012), *Chiny w stosunkach międzynarodowych,* Łódź, pp. 10-12.

[9] R. Weitz (2008), *China - Russia Security Relations: Strategic Parallelism Without Partnership or Passion?*, Strategic Studies Institute, U.S. Army War College, www.strategicstudiesinstitute.army.mil/pdffiles/pub868.pdf, p. 64 and 74 (accessed 13.04.2011) .

[10] A. Jarosiewicz (2009), *Gazociąg Turkmenistan - Chiny znacząco wzmacnia pozycję Chin w Azji Centralnej,* "Tydzień na Wschodzie" No. 43 (118), p. 4.

[11] Data after: *China in Central Asia: latest investments,* "Reuters" 11 March 2010, http://www.reuters.com/article/2010/03/ll/china-centralasia-idUSLDE6280-UR20100311 (accessed 27.07.2012).

to diversify their political and economic partners. By tightening their relations with Beijing, they undermined the traditional dominance of Moscow in that part of the world. Activities of the PRC are effective because they are non-confrontational, discrete and consistent. They bring tangible economic benefits and they do not entail any obligations in the area of human rights or to tighten military cooperation with the investing state. In result, the Middle Kingdom already in 2012 was the largest trade partner of Central Asian republics, surpassing the Russian Federation which previously dominated in the region.[12]

Moreover, Russia was forced to redefine its economic and political objectives connected with the potential of Siberia and the Far East. Until the end of the previous decade, implementation of Sino-Russian energy cooperation projects, which was of Beijing's huge interest, was in most cases a distant perspective. To put it bluntly, Russia was interested in the development of its eastern regions, and exploitation of large natural resources located there was to be the key. That, however, required huge foreign investment. Opening Siberia and the Far East to Chinese capital was perceived as a potential threat consisting in an excessive increase in Beijing's interests in that part of the world. That is why investment cooperation of both states in that area was long relatively little. The global economic crisis, however, forced the Russian Federation to cooperate with China on China's terms. An obvious manifestation of the above was the construction of the ESPO oil pipeline. Initially, it was planned to be a multi-directional transfer network (including Japan, South Korea and China) but eventually it transported crude oil solely to the PRC. It was launched in 2009 mainly thanks to Chinese loans granted to *Transnieft* and *Rosnieft* holdings.[13] Moreover, already in 2009, President Medvedev noticed that without China's involvement in large projects implemented in Siberia and the Far East, Russian plans of modernising those regions might prove unrealistic. That was a clear sign that the previous policy of "preventing" China's economic expansion, both in Russia and in Central Asia, was abandoned. Moscow approved of the intensifying economic cooperation between Central Asian republics and the PRC.[14] Obviously, bilateral financial cooperation on development and modernisation of eastern Russia is pursued on terms highly favourable for Beijing. China has always been interested in gaining access to natural resources of Siberia and the Far East and it invests in extraction

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[12] *China CA's biggest trading partner in 2010,* "Central Asia Online" 9 September 2011, centralasiaonline.com/en_GB/articles/caii/newsbriefs/201 l/09/09/newsbrief-08 (accessed 30.07.2012).

[13] For many years, Russia delayed the project completion by negotiating agreements on deliveries with various recipients and awaited inflows of foreign investment from diverse sources. That strategy aimed at avoiding dependence on one trading partner and to facilitate acquiring funds for Russian eastern territories' development programme as well as to prevent an increase of crude oil price possible due to competition between importers. Currently, the PRC, in line with its interest, is the sole buyer. More in: M. Lubina, *Ropociąg WSTO jako przykład pojedynku energetycznego Rosji i Chin,* in: P. Kwiatkiewicz (ed.) (2012), *Bezpieczeństwo energetyczne – rynki surowców i energii,* Poznań, pp. 113-118.

[14] S. Blank, *China's Russian Far East,* The Jamestown Foundation, 5 August 2009, http://www.jamestown.org/single/?no_cache = l&tx_ttnews[tt_news] =35371 (accessed 31.07.2012).

and transport industries.[15] China's investment has been very high. As Chinese press agency *Xinhua* reports, in 2010, the PRC invested approx. USD 3 billion in the discussed territories, i.e. thrice as much as Russia.[16] The Chinese financial involvement in those regions remains stable. A 2012 agreement signed by China Investment Corporation and Russia Direct Investment Fund proves it. The contract concerns the establishment of a joint investment fund in the form of a limited liability company. The planned value of the fund is to be between USD 2 billion and USD 4 billion.[17] Although such developments undoubtedly contribute to economic development of Siberia and the Far East, they also consolidate an unfavourable (from Russia's perspective) structure of trade with the PRC. What is developed are mainly structures for exporting Siberian and Far Eastern raw materials while imports from China include mainly processed goods. This pattern of trade has been increasingly followed. In 2011, the PRC was the second largest exports market and the largest imports source of the Russian Federation.[18]

Despite the fact that the asymmetry in Russia-China relation has deepened recently and the economic advantage of China has gradually led to an unfavourable for Russia leadership change in the region, alarmist concerns about the Russian Federation transforming into China's "resource reserve" result from an unduly simplification of the situation. For China, Russia as political partner is much more important than as a raw materials supplier. China-Russia relations are important for the region stabilisation and for advancing relations with the West, mainly the US. To put it simply, when it comes to US-Russian relations, China is interested in adhering to the rule: "no collusion and no collision" between the two.[19] Should China-Russia relations deteriorate, Moscow might turn toward the West and that would threaten strategic interests of Beijing which at all cost tries to prevent being encircled "geopolitically" by US alliances with China's neighbours.[20] On the other hand, an exces-

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[15] *China Looms Over Russian Far East,* http://thediplomat.com/2011/06/22/china-looms-over-russia-far-east/2/ (accessed 31.07.2012).

[16] *China Investing in Russian Far East More Than Russian Gov't,* Russia Briefing, 19 April 2011, http://russia-briefing.com/news/china-investing-in-russian-far-east-more-than-russian-gov%E2%80%99t.html/ (accessed 31.07.2012).

[17] C. Wenjiao, *China, Russia Launch Joint Investment Fund,* Caixin online, 6 June 2012, http://english.caixin.com/2012-06-06/100397751.html (accessed 31.07.2012).

[18] The Bank of Finland Institute for Economics and Transition, *Russia seeks to attract Chinese investment in Far Eastern Russia and Eastern Siberia,* http://www.suomenpankki.fi/bofit_en/seuranta/seurantaaineisto/pages/vw201218_l.aspx (accessed 1.08.2012). The PRC accounts for 15.6% of total imports to the Russian Federation, while 6.5% of total Russian exports goes to the PRC (which makes China the second largest buyer of Russian goods). The Netherlands is the largest (12.3% of Russia's exports). Data for 2011, after: https://www.cia.gov/library/publications/the-world-factbook/fields/2050.html, https://www.cia.gov/library/publications/the-world-fact-book/fields/2061.html (accessed 12.10.2012).

[19] D. Trenin (2012), *True Partners? How Russia and China see each other,* Centre for European Reform, London, p. 20.

[20] *Ibid.,* pp. 17-19.

sively tight alliance of Russia and China would make the West worry about security issues which would negatively affect relations of both states with the US, and no participant of this political "triangle" wants and can afford such a change. In practice, Russia and China's alliance serves the purpose of protecting themselves against undermining their role in Asia and in the world by the West, and against any actions of the international community perceived as interference in internal affairs of the two. Manifestations of the above are, for example, joint Russian and Chinese positions on Taiwan, Tibet, Xinjiang and Chechnya, and their convergent stance on international security issues presented on the UN forum in the case of Iran, Kosovo, Iraq, Syria or Lebanon. Though the opinion that China-Russia relations have never been a true "strategic partnership" might be justified, their cooperation at international forums is extremely important to China.[21] China's economic expansion in Asia, maintaining its dominant position in energy cooperation with Russia, and the trade structure favouring China are areas where the PRC is active but very cautious when taking any actions that could disrupt the current political order and trigger strong reactions of Moscow or Washington.

CHINA'S ACTIVITIES IN THE EAST: ECONOMIC PRESENCE OF THE MIDDLE KINGDOM IN ASEAN

Undoubtedly, at present the PRC stimulates economic development of ASEAN countries. It has also played the role of "a stabiliser" of their economic condition during the crisis. In 2009-2010, Chinese investments in the South Korean production sector increased almost fourfold to USD 214 million.[22] Since 2011, main recipients of China's funds are Indonesia, Vietnam, the Philippines, Malaysia, Thailand and Singapore. Considering the growth of investment cooperation in the region, by 2015 the PRC may be the largest trading partner of ASEAN countries.[23] Increased economic activity of the Middle Kingdom is mainly due to China's current economic growth based on investments and exports. This, however, leads to more complex and far reaching consequences than a simple observation about the pace of the investing state's development. Apart from securing its presence in Southern Asian markets rich with raw materials, the PRC intensely enlarges its international network of economic ties, where its role is significant if not crucial. Obviously, this also increases its capability of non-economic impact on the countries whose cooperation with China is tight. The scale of their dependency on China is illustrated by the susceptibil-

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[21] B. Judah, J. Kobzova, N. Popescu, *op. cit,* p. 35.

[22] G. Yen Kuan, *China's Wen to Spur Investment, Tap Resources in Southeast Asia,* Bloomberg, 27 April 2011, http://www.bloomberg.com/news/2011-04-27/china-s-wen-to-spur-investment-tap-resources-in-southeast-asia.html (accessed 3.08.2012).

[23] K. Hodal, *China invests in south-east Asia for trade, food, energy and resources,* "The Guardian" 22 March 2012, http://www.guardian.co.uk/world/2012/mar/22/china-south-east-asia-influence (accessed 3.08.2012).

ity of various states to a decline in Chinese investment growth. According to IMF estimates, if Chinese investments decline by 1 percentage point (pp.), the economic growth of South Korea, Taiwan and Malaysia will fall by 0.6 pp., 0.9 pp. and 0.65 pp. respectively. To compare, in the case of Germany and Japan, consequences would be much less severe. A decline in investments by 1 pp. would results in the fall of economic growth by a mere 0.1 pp., which is due to smaller involvement of those countries in the Chinese supply chain and thus the discussed changes would have a weaker impact of on their trade turnover.[24]

Although some recipients of Chinese investments voice concerns and some oppose China's foreign economic policy (e.g. Burma in 2011), most countries accept the offered funds and gradually tighten their cooperation with the Middle Kingdom.[25] Currently, China is the only state capable of making large-scale investments in many countries concurrently. Moreover, unlike the West, China does not combine their contract decisions with requirements concerning political reforms or protection of human rights. In result, the PRC grants more loans to developing countries than the World Bank. China finances, among others, large foreign infrastructure projects including enlargement of energy and transport networks.[26] The Middle Kingdom and other East Asian countries are increasingly connected by a rapidly developing network of railways, roads, sea routes and foremost financially. Some Chinese academic and political groups are of the opinion that the progressing cooperation and the simultaneous strengthening of China's role as its leader, might contribute to the restoration of China's historical place of the Country of the Middle, i.e. the economic, cultural and political centre of Asia.[27]

OUTSIDE THE REGION: DEBATES ON THE FUTURE ROLE OF CHINA IN INTERNATIONAL RELATIONS

China has the second largest, after the US, economy, and is a developing country. Its situation is very untypical. There is no consensus among the international community on whether China should be perceived as a potential threat or an increas-

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[24] *Decline in China's investments sharply cuts Korea's GDP: IMF,* IntellAsia.net, 27 July 2012, http://www.intellasia.net/decline-in-chinas-investments-sharply-cuts-koreas-gdp-imf-220563 (accessed 3.08.2012).

[25] In 2011, Burma decided to suspend the construction of the dam and hydroelectric plant on the Irrawaddy River. The implementation of this project, worth USD 3.6 million and financed mainly by the China Power Investment, was suspended because it was "against the will of the people", whose representatives associated in e.g. The Burma Rivers Network, voiced concerns that Burma would become excessively dependent on Chinese investors and contractors. Cf. J. Watts, *China angry over Burma's decision to suspend work on £2.3 bn dam,* "The Guardian" 4 October 2011, http://www.guardian.co.uk/environment/2011/oct/04/china-angry-burma-suspend-da (accessed 3.08.2012).

[26] K. Hodal, *op. cit.* (accessed 3.08.2012).

[27] P. Sokala, *ChRL w procesie redefinicji porządku międzynarodowego w Azji Wschodniej,* in: M. Pietrasiak, D. Mierzejewski (eds.) (2012), *op. cit.,* p. 30.

ingly important partner. China is searching for the best strategy in its foreign policy, a strategy that would correspond to the geographical outreach of China's influence. As US Secretary of State Hillary Clinton said: China and the US must find "a new answer to the ancient question of what happens when an established power and a rising power meet".[28]

The China threat theory about China's future development and behaviour in the international arena is both well-known and extreme. In accordance with the realistic paradigm, as ambitions and capabilities of Beijing rise, so does the probability that it will aim to dominate, both in its immediate international environment and globally. Thus the risk of destabilisation of the regional and global political order grows and so does the risk of confrontation of the new emerging power with the powers of today. In the case of China, the US is perceived to be its potential greatest rival. That is why many Western analysts examine the current development of the Middle Kingdom in the context of broadly understood US security.[29] Radical forecasts offered by the realist school assume that it is highly probable that the rising power will use its "hard power". Supporters of more liberal views underline the current significance of globalisation and a tightening international network of economic ties, which leads them to a conclusion that "soft power" instruments are crucial in foreign policy, while all conflicts, especially military ones, are gradually becoming less and less profitable. In this context, it is most probable that China will pursue its cooperation oriented foreign policy and not head for violent clashes.[30]

For advocates of the current international order, mainly the US, China is dangerous even if one assumes that the forecasts of realists and neorealists prove false. This follows from the fact that China's policies undermine the Western monopoly of financial aid provision to developing countries which is highly regulated. Before China attained the rank of an important player in global economic relations, money was America's main tool for shaping the global order and promoting its concepts. Currently, developing countries perceive Beijing as an alternative and a much more attractive donor of economic support. China transfers money and does not press loan recipients to advance democratisation processes, to respect human or ethnic/national minority rights, or to tighten any form of military cooperation. Of course, this does not mean that China's relations with recipients of its investments are problem-free. It suffices to mention Beijing's territorial claims over the East and South China Seas which make its relations with Vietnam, the Philippines and Indonesia alarmingly tense. However, notwithstanding disputable issues, China's economic involvement in these states is increasing, and the West simply has nothing to say as the finan-

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[28] After: S. V. Lawrence, D. MacDonald, *U.S. – China Relations: Policy Issues*, CRS Report for Congress, 2 August 2012, p. 1.

[29] K. R. Al-Rhodan (2007), *A Critique of the China Threat Theory: A Systematic Analysis*, "Asian Perspective" No. 3(31), pp. 46-48.

[30] J. Ye (2002), *Will China be a "Threat" to its Neighbors and the World in the Twenty First Century*, "Ritsumeikan Annual Review of International Studies" No. 1, pp. 58-63.

cial crisis has damaged its capacity to effectively compete with Chinese investment offers. At the same time, one should bear in mind that though the government in Beijing challenges the world order of diktats of one state only, it is not interested in taking over the role currently performed by the United States. Already in 2005, US Deputy Secretary of State Robert Zoellick urged the PRC to become a "responsible stakeholder" in the international system and not to be just its member.[31] However, there is no agreement in China and in debates between China and the rest of the world, on what China's responsibility is to be in practice and how to define it. It is a near-certainty that Beijing is not interested in protecting the existing international order in line with expectations of the West. In the political dimension, an adjustment would mean the necessity to support international interventions in various regions of the world and a revision of China's internal system. For example, it would not be beneficial for Beijing to adopt a position against Iran on UN forums, as Iran is an important supplier of energy raw materials to the Middle Kingdom. Supporting the western concept of respect for human rights and ethnic/national minority rights is also an option unacceptable to China owing to the complicated situation in Tibet and the Xinjiang Province to give but two examples. In the area of economy, abandonment of the cheap yuan strategy[32] for which Western countries (mostly the US) call, would lead a large increase in export prices and, in consequence, hit the foundations of China's economic growth. Economic liberalism is, of course, a cornerstone of fully liberal trade. However, it would be irrational of China to completely give up its protectionism supporting development of domestic technologies and brands.[33]

On the other hand, notwithstanding the abovementioned thorny issues discussed by China and the West, Beijing endeavours to secure its investments. As Chinese economic interests are already global, it is necessary to ensure economic and political stability in practically all regions of the world. Thus China cannot afford to be uninvolved in solving problems in particular regions and of the international order as a whole. China's involvement will entail serious challenges in formulating and implementing an appropriate foreign policy strategy.

Since the end of the 1980s, Chinese diplomacy has adhered to Deng Xiaoping's guidelines including, among others, *bu dang tou* meaning *never become the leader*

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[31] J. Eisenman, D.T. Stewart, *Can "Responsible Stakeholder" Hold?,* "Policy Innovations" 12 December 2007, http://www.policyinnovations.org/ideas/commentary/data/000027 (accessed 6.08.2012).

[32] Though most economists agree that the yuan is an underestimated currency, opinions on the level of its underestimation vary greatly. See: *IMF:RMB undervalued by 3-23%,* "Chinese stock information" 21 July 2011, http://www.chinesestock.org/show.aspx7id = 129000&cid=17 (accessed 6.08.2012).

[33] China's policy of "domestic innovations" has met with huge criticism in the West. This policy favours domestic production over foreign products. Though Beijing has agreed to exclude protectionism policy from governmental tenders and commissions, the actual implementation of this amendment is a complex process, as it requires the approval by local authorities in various provinces. See: S. V. Lawrence, D. MacDonald, *op. cit.,* p. 28; S. Lubman, *Changes to China's Indigenous Innovation Policy: Don't Get Too Excited,* "The Wall Street Journal" 22 July 2011, http://blogs.wsj.com/chinarealtime/201 l/07/22/changes-to-chinas-indigenous-innovation-policy-dont-get-too-excited/ (accessed 6.08.2012).

(of developing countries) and *bu duikang* meaning *do not engage in confrontations* (mainly with Western countries). While in the 1990s these rules were acceptable and helped to create optimal conditions for China's economic development, in the last decade discrepancies between them and the changing interests of the country surfaced. At the beginning of the 21st century the fourth generation of CPS (Communist Party of China) leaders started to officially promote China's "peaceful rise" or "peaceful development" which suggested its greater international involvement. Deng Xiaoping's ideology, however, continues to exert strong influence on Chinese political thought in its entirety.[34] Coexistence of new and old concepts makes objectives and intentions of Beijing hardly transparent and in a way suspicious to the international community. Foreign observers, especially in the West, do not trust China. On the one hand, China very assertively defines its political interests in Asia, invests heavily in various economies across the globe and is a largest beneficiary of globalisation. On the other hand, however, it tries to follow the old guideline to "conceal its capabilities" and, in its rhetoric, it harbours no leadership ambitions in developing countries while slowly becoming the centre point of their economic ties. That is why the "Chinese threat" theory remains popular, notwithstanding Beijing's declared intensions.

China's reluctance to abandon protectionist guidelines of Deng Xiaoping's foreign policy, is an issue in discussions on whether China is a regional power or already a global one. Some Chinese scholars claim that the country is a global power already, however, the prevailing opinion is at present China is at most a regional power. The current dominant view is that the PRC is still a developing country, and - as it is very large, it has greater capacity to act at the international level despite its numerous unsolved problems in internal modernisation.[35] In those circumstances, it would be logical to focus on securing economic growth and bridging the gap between living standards of Chinese citizens and residents of highly-developed countries. The problem is that in the case of the PRC, those goals are strongly connected with China's international activities. It is therefore necessary to comprehensively assess the guidelines on domestic and foreign policies. As China's economic potential and needs grow, countries in China's immediate environment cannot be the exclusive focus of its foreign policy.

When observing activities of Chinese foreign diplomacy, one might get the impression that the process of political expansion beyond regional borders is quite troublesome despite its successful economic dimension. This, to a large extent, results from lack of internal consent on whether China is a power or a large developing state. Debates also concern the form and extent of China's involvement in solving

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[34] The international community excessively associated the "peaceful rise" with the threat constituted by a new power in the global order. For this reason Chinese diplomacy quickly turned to the phrase "peaceful development".

[35] Z. Liaun (2010), *China's Foreign Policy Debates,* EU Institute for Security Studies, Paris, pp. 37-38.

global problems. "International responsibility" is variously interpreted by Chinese scholars and there is no agreement on its scope. There are suspicions that the responsibility concept is a "trap" set by the West to make China a guardian of Western global interests.[36] Beijing declares its support for multilateral initiatives and multilateralism in international relations but its "going out of regional borders" without clashing with other powers must be based on a clear vision of China's future role in building and ensuring the stability of the global order. In China, current debates on its foreign policy development suggest that its vision has not taken shape yet which additionally complicates the Beijing-Washington dialogue.

FINAL REMARKS

In the 21st century, China's involvement in global economy will grow and thus its potential to influence the region and later the world will grow too. The 2008 economic crisis accelerated this process. It has made both Beijing and its partners aware that China is now on the path leading straight to attaining the status of a global power.

In the last decade, China pursued an active – yet directed at maintaining the *status quo* – foreign policy. By becoming the key economic partner of most ASEAN and Central Asian countries, China has strengthened its position of the regional hegemon in a more durable and less controversial manner than it would by entering close political alliances or military pacts. The PRC very clearly defines its basic interests in Asia, especially in Taiwan, Tibet and the Xinjiang Province. At the same time, China is very cautious when engaging in a dialogue with Washington and Moscow. Russia, although weakened by the difficult period of post-Soviet transformation, is unchangeably perceived by China as a major international player. Should Russia choose the US over China, it will be a geopolitical defeat for China, a dangerous "siege" of the Middle Kingdom by allies of the West. In order to avoid confrontation with other powers, both regional and global, the PRC strives to increase its international activities in such forms and areas that it will not be perceived as a violator of other powers' interests. That is why so much emphasis is placed on "soft power" instruments in Chinese foreign policy and on strengthening China's position by increasing economic interdependencies. The cooperation between China and Central Asian states is a good example of such an effective and cautious involvement. Without demanding any formal political or military leadership in the region, the Middle Kingdom consistently pushes out Russia, its traditional leader.

China's successes in the last decade have raised expectations of the international community. Beijing is aware that, in a long run, a new model of its engagement in solving global issues will be needed, if only to secure Chinese investments around the globe. China is, however, very focused on ensuring that its foreign policy serves

[36] Cf. *ibid.,* pp. 40-44.

China's stable internal growth which is the priority. Moreover, the PRC will not accept the type of responsibility for the global order that the West would like it to adopt. In this context, China's "going out regional borders" while pursuing its non-confrontational policy in relation to other powers, is a difficult, if not impossible, task.

ABSTRACT

Global economic recession which started in 2008 significantly contributed to revealing China's growing potential on the international arena. For the Beijing administration this means a necessity to develop and implement an optimal strategy of "going outside the region" paying attention to the priority of internal development of the PRC and a non-confrontational course in policy toward other regional and world powers. However, expectations of the West concerning the international engagement of the Country of the Middle do not conform to the Chinese vision of a future global order. Strengthening its economic leadership in its immediate surroundings and maintaining stable relations within the triangle of Washington – Moscow – Beijing, China seeks the ultimate answer to the more and more frequent question on the character and scale of its "international responsibility" both in political and economic dimensions.



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Niemiecka polityka wobec Polski 1990-2010

[German policy toward Poland (1990-2010)]

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Breakthrough events and developments in the German reunification process, Poland's attitude toward the prospect of two German states being reunified, and problems in negotiating the Polish-German Border Treaty and the Treaty of Good Neighbourhood and Friendly Cooperation are discussed in the light of previously unknown materials. The Polish path to the EU is widely reviewed emphasising the support of Germany and démarches aimed at speeding Poland's accession. Much attention is also given to the cooperation of Poland and Germany in the European Union after 2004, which had its difficult moments especially in 2005-2007. Finally, Germany's involvement in developing a new European and Transatlantic Security Strategy after the collapse of the communist system is analyzed highlighting Germany's efforts to include Central and Eastern European countries in the new system and its support for Poland's aspirations to join NATO.