



Take the Technicolour

View

China's Bo'ao Forum hopes to be Asia's Davos.
Photocome

By Andrew Small As China flexes newfound strength, the West is only just starting to wake up to the "China Dimension."

WHEN YU YONGDING made a few remarks about China's holdings of US government debt to a group of students in Shanghai, he could hardly have expected his talk to send the dollar tumbling in the international currency markets. "It's incredible. I'm just an unimportant academic!" he laughed as I caught up with him before his departure to Davos, Switzerland. Forex traders thought otherwise. A few days after we met, Professor Yu's comments at the World Economic Forum on the floating of the *yuan* sparked another wave of selling.

Of course, Yu Yongding is neither unimportant nor just an academic. Director of the prestigious Institute of World Economics and Politics at the Chinese Academy of Social Sciences (CASS), he has an inside track on the hottest issue in global finance as the only external representative on the Monetary Policy Committee of China's central bank. But unlike tight-lipped officials from the People's Bank, any conversation, class or conference with Yu Yongding yields genuine insights on the direction of China's economic policies. "It's not my power, it's China's power" he replied when I asked how he felt holding the fate of the dollar in his hands. But as the rest of the world tries to puzzle out the implications of this growing power, it is increasingly to people like Professor Yu that they need to turn.

A Force To Be Reckoned With

This is as true for political intelligence as it is for the world of high finance. In the not-too-distant past, policymakers could afford a degree of sanguinity about their thin understanding of Chinese intentions when

they formulated their positions on humanitarian intervention in Darfur or coordinated efforts to exert pressure on Iran to freeze its nuclear programme. Outside a narrow field of China's direct interests, they could generally have confidence that, while there may be a certain volume of diplomatic noise, when it came to the crunch China would keep its head down.

But that "narrow" field has been expanding at the same rapid pace as the Chinese economy. Burgeoning trade relationships, ravenous demands for energy and raw materials, and a new found enthusiasm for multilateralism have already turned China into a fully global actor. For the first time since Maoism was its primary export, you are as likely to read about China in the Europe or Latin America sections of the paper as the Asia Pacific pages. Policymakers are waking up to the fact that on the most pressing global issues, China may be a critical part of the solution – as it has been in the Six Party Talks on North Korea – or, less positively, it may act to undercut European and American efforts to exert economic and diplomatic pressure on countries such as Sudan. From peacekeeping to climate change, from the US trade deficit to Japan's economic recovery, there are few conversations that now take place without China cropping up somewhere down the line. Chinese policymakers are also getting their heads round the transformation this implies. As one prominent Beijing-based academic explained: "There has been talk in the United States of China's rise for many years but Chinese leaders didn't really adopt this standpoint themselves.

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Last year that changed. For the first time there was a sense that China had genuine economic strength and this provided the confidence and impetus to take a fresh look at China's foreign policy".

Piercing the China Haze

But most of the conversations outside China include questions that have no straightforward answers. For the growing numbers of people following Peter Mandelson's injunction that "we all need to become China experts now" still face a number of obstacles. Anyone trying to make sense of America's role in the world has, from within the United States alone, countless websites to consult, every third newspaper column devoted to the subject, the output of hundreds of think tanks, and a vast list of books that provide illumination for the interested non-expert. Taking a trip to Washington, you can hold meetings from Foggy Bottom to Dupont Circle to the Pentagon that are straightforward, revealing and open. After a time, it is not unrealistic to expect to emerge with something of a picture of the competing

"Policy thinking on China will be much stronger with a 'technicolour' view."

agendas, interests and ideas that are shaping US foreign policy.

It is safe to say that this would not be your experience from a trip to Beijing. While the "China hands" have their long-established networks of friends and associates to give them the bottom line, the enthusiastic neophyte has a hard task on his hands if he wants to penetrate beyond the

Party line and a few convivial meals. Moreover, the putative China expert would have little luck finding an e-subscription to *Strategy and Management* to add to his bookmarks list next to *Foreign Affairs* and *The National Interest*, laying his hands on tell-all memoirs by Chinese security policy advisers to stack with his Scowcroft and Brzezinski tomes, or skimming through the latest report from hardline Chinese military strategists. Unlike the perspective afforded on the US, the end result for the policy analyst who trains his eyes

on China is often a picture that is black, white or a fuzzy grey. When they climb on to the plane to London or Brussels to return to work on

their principal policy focus, whether peacekeeping in Africa or UN reform, their new strategies will probably not be infused with the "China dimension" they know they need.

If foreign policy were crafted solely by diplomats this would be less of a concern. The top Sinologists in Guanghua Lu and Sanlitun would feed briefs back to the capitals, deal with queries from their Europe or US

desks when they came up, comment on "The World in 2020" papers from their policy planners and everyone would be happy. But in a world where NGOs, businesses, think tanks, political parties, a range of government departments, the media and broader public opinion all have a major role to play, it matters a great deal if this array of non-expert stakeholders in the policymaking process don't have access to the information necessary for factoring China into their thinking in the right way.

The Big Conversation

It was with this challenge in mind that the Foreign Policy Centre established its new programme on "China and Globalisation". Launched in Downing Street during Wen Jiabao's visit to the UK in May 2004, among its major premises was that

policy thinking on China and most global issues beyond will be much the stronger if as broad a constituency as possible is informed by a "technicolour" view of the country. While traditional China specialists have been involved at every stage since its initial conception, the programme has been explicitly aimed as much at the policymakers, businesspeople and thinkers whose exposure to China has been more limited. On issues ranging from energy to technology, from global governance to Sino-European relations, the goal has been to expose people to China's evolving international role in its full complexity, to do so at first hand rather than mediated through the eyes of outside observers, and to ensure that there is a two-way flow of people and ideas.

Naturally, we are not alone in these efforts, which also form a vital part of the work of organisations such as the Great Britain-China Centre and the British Council, with whom we have been delighted to collaborate, but this has been a particularly propitious time for a think tank to launch a venture of this sort. Firstly, because the new leadership in Beijing has recognised the urgency of these issues too and is starting to do something about them. A perspective in grey is a perspective that is likely to be characterised by fears and suspicions about motives, problematic miscalculations an underlying lack of trust. China can't afford an external environment of this sort any more than the rest of the world can afford to get their China calls wrong. At one level, this has led to a shift in the foreign ministry's treatment of journalists, which has become increasingly open. Bilateral dialogues between government ministries have been expanded and white papers on foreign policy have been published in English. At another level, the government has seen increasing value in research institutes' holding more open and expansive discussions than can take place through official channels. When Wen Jiabao arrived in the Hague for the EU-China summit in December last year, he made a point of making his first port of call a gathering of European and Chinese think tankers, who briefed him on the outcomes of their pre-summit roundtable.

In itself, this is nothing new – the Chinese



A delegation from the FPC's partner organisation, the Chinese Academy of Social Sciences, at 10 Downing Street. The Foreign Policy Centre

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government has long used its think tanks, all of which are attached to specific government ministries or to the State Council itself, as one of the instruments in its diplomatic tool kit. But this is a very different context to the early 1980s when the Chinese People's Institute of Foreign Affairs (CPIFA) and the Chinese Institute of Contemporary International Relations (CICIR) were the main conduits for "people-to-people" diplomacy. The think tank environment in China is now in a far more evolved state and government policy is increasingly emerging out of analysis rather than analysis serving to provide ideological justification for policies after the fact. While there may still be hesitancy about "public intellectuals", the flourishing new media in China, which have increasing influence on the leadership's thinking – from FT-style newspapers to "talking heads" television shows – have created a voracious demand for comment and opinion on international affairs that the likes of CASS have rushed to fill.

Exchange of Ideas: A Two-Way Street

Chinese leaders have also made a point of showing their openness to new ideas. The Politburo famously organised a series of internal lectures ("study sessions") for the senior leadership from China's top intellectuals, on subjects ranging from "The Rise and Fall of Great Powers" to "The New Developments in International Military Transformation". Some of the lecturers, such as Jiang Xiaojuan, have subsequently been brought in to work in the Premier's policy office and others have been asked to submit detailed policy proposals outlining their thinking. The "supergroup" among Chinese think tanks, Zheng Bijian's China Reform Forum, with experts pulled together from many research institutes and universities, was tasked with a major multidisciplinary process of research to feed into China's "peaceful rise" strategy. The rise and fall of that particular theory, with large-scale internal debates that were little concealed from the public, in itself illustrated a policymaking process of a kind that would have been unrecognisable even in the 1990s.

It's not just Chinese think tanks that are getting the audience either – the Foreign Policy Centre's first publication, *The Beijing Consensus*, by Joshua Cooper Ramo, saw its most dramatic reaction in China itself. Described on CCTV as "perhaps the most influential

paper in China by a foreigner since Reform and Opening" we were pleasantly surprised to hear that it had been translated and circulated in full among the Politburo and a wider group of 5,000 senior officials as well as being made the subject of a primetime television programme. The list of institutions that foreigners have access to is also growing. In addition to the traditionally designated "open units", research bodies from Zhongnanhai itself have been given growing license to deal directly with the outside world – we had the opportunity to host a seminar with the Policy Research Office of the State Council in London following their recent training programme with the Prime Minister's Strategy Unit.

The Year Ahead

With Chinese think tanks increasingly influential both in public and high-level private forums, rapidly expanding the intensity of their international contacts, opening up to outside ideas and gaining the solid support from a leadership that recognises the value of their activities, there are important opportunities for an organisation like the Foreign Policy Centre to make an impact. We have an ambitious range of activities lined up for this critical year in Sino-British relations, which will embrace top-level visits and Britain's Presidency of both the EU and the G8. As well as a variety of events with senior Chinese and European leaders that aim to advance thinking on the long-term future of EU-China relations, the Centre will be publishing the liveliest material from contemporary debates in China, establishing a fellowship to provide a European base for visiting Chinese policymakers and thinkers, setting up one of the first offices by an international think tank in Beijing, and providing a platform for China's most prominent intellectuals. While the opening up of China's opaque decision-making processes takes place, the need for avenues through which policymakers can get an accurate picture of the state of the latest thinking here is clear. In the months and years ahead, it is organisations like the Foreign Policy Centre that we hope will be in the vanguard in the task of making "China experts" of as many people as possible. 🌐

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The launch of the FPC's China Programme in May 2004, with Premier Wen Jiabao and Prime Minister Tony Blair.
The Foreign Policy Centre