

## CASE STUDY

## China

Although the United States is unquestionably the world's dominant superpower, its pre-eminent position is being increasingly challenged by countries such as Russia, China, the European Union, India and Brazil; countries that are referred to as **potential superpowers**. Of the potential future superpowers, the most strongly placed is **China** because of the size of its **economy** (the second largest in the world), its **population** size (the world's largest) and its increasing **military power**. China is already regarded as an **economic superpower**, but it is increasingly referred to as an **emerging superpower** because of its global influence.

Before the Communist Party came to power in China in 1949, China was a weak, impoverished, divided country known as 'the sick man of Asia'. China had suffered from decades of civil war between the communists and the nationalists (also called the Kuomintang), and had been devastated by fierce fighting during the Japanese invasion from 1937 to 1945. In the years following the Communist rise to power in 1949, extreme shifts in policy and destructive political campaigns such as the Great Leap Forward (1958 to 1962) and the Cultural Revolution (1966 to 1976) **suppressed innovation and initiative**, keeping the population in a constant state of **near-poverty**.

The situation changed following the death of the leader, Mao Zedong, in 1976, especially after a more



730 A missile is transported by the People's Liberation Army in Beijing, a symbol of China's military power.

pragmatic leader, Deng Xiaoping, came to power in 1978. Unlike Mao Zedong, who insisted that a narrow, dogmatic form of revolutionary communism should be implemented, Deng Xiaoping encouraged **pragmatic economic reforms** that unleashed the built-up energy of China and its people. Deng's policy was called 'socialism with Chinese characteristics', which in reality meant **market capitalism**.

China's wealth, power and influence began to grow with the introduction of these reforms, and for the next 30 years, China's rate of **economic growth** was the fastest in the world. This growth funded the modernisation of China's military forces, and provided the funds to invest heavily in agricultural and manufacturing projects overseas, initially in Africa but later in high-income countries such as the United States, Australia and Germany. Chinese **acquisitions** of large, Western companies further expanded China's growing role as a global economic superpower, with purchases such as:

- Lenovo's acquisition of IBM Thinkpad in 2005.
- China PingAn's acquisition of Fortis Insurance in 2007.
- Geely's acquisition of Volvo in 2010.
- Hainan Airlines' acquisition of NH Hotels in 2011.
- Dalian Wanda's acquisition of AMC Entertainment Holdings in 2012.
- China Investment Fund's acquisition of 80% of International Lease Finance in 2012.
- Fuxing's acquisition of ClubMed in 2013.
- Lenovo's acquisition of Motorola in 2014.
- China National Chemical Corporation's acquisition of Syngenta in 2016.
- Hainan Airlines' acquisition of 25% of Hilton Hotels in 2016
- Anbang's acquisition of Starwood Hotels in 2016.
- Qingdao Haier's acquisition of General Electric Appliances in 2016.

As figure 1.27 shows, China has the world's **second largest economy**, and it is expanding rapidly. The **structure** of China's economy has an almost even balance between the contributions made by manufacturing industry and services (each comprising about 45% of the economy, although the

service sector is growing more rapidly), with agriculture making up the remaining 9%.

Unlike the United States, China's status as an emerging superpower is based more on **economic influence** than **military power**. The quality of Chinese **manufactured goods** is increasingly sophisticated (as seen by the fact that many of the world's mobile phones, tablets and computers are manufactured there), and the cost is low compared with products made in countries where wages and incomes are higher. The promise of high quality, low cost manufactured goods is very appealing to people, companies and governments in low-income and middle-income countries, and this gives China considerable global **prestige** and **influence**. The retreat of the United States from several proposed international trade agreements since Donald Trump began his term as President in 2017 has also served to raise China's profile and influence as it fills the vacuum being left by the United States.



1.31 An example of a Chinese hi-tech export — this AVIC MA-60 airliner was made in the Chinese city of Xi'an and exported to Laos for use by Lao Airlines, the country's national airline (seen here at Luang Prabang Airport).

China had a long history of superpower status from the ancient Han Dynasty (206BC-AD220) through to the mid-Qing Dynasty in the 1800s. During the Mongol Dynasty, China's empire stretched across Asia and into Europe as far west as Hungary. It could be said that China's natural state is as a **superpower**, and the last 150 years or so is an aberration. China has a long and ancient history of rivalry with Japan, and recent expansion of China's military forces reflects its dissatisfaction with the current balance of power in which the US backs Japan militarily. China's regional ambition is therefore to be more influential than Japan through

South-east Asia, in Korea, in the disputed areas of the South China Sea, and in the South-west Pacific.

This ambition has brought China face-to-face with the United States' considerable military and economic interests in East and South-east Asia. China has modernised its army, navy and air force to support its strategic interests, although Chinese armed forces are far smaller than those of the United States. Nonetheless, China now has its first aircraft carrier, a strong fleet of diesel and nuclear powered submarines, one of the world's largest air forces, and over 50 intercontinental ballistic missiles.

A **military superpower** is a country that can project its power around the world to defeat or dominate another country, and although China may already be an **economic superpower**, it could not yet be classified as a military superpower. This view of China's military prowess is reinforced by the fact that unlike the United States, China has not engaged in armed conflict with another country since 1979, and it has just one military base in a foreign country – a 'military supporting facility' established in Djibouti in 2016. Many analysts believe that China's ambition is to be a **regional military power** rather than a global superpower, although no-one knows China's long-term strategy with certainty.

### QUESTION BANK 1C

1. What is meant by the terms (a) superpower, (b) hegemony, (c) leadership cycles, (d) unipolar, and (e) multipolar?
2. With reference to figure 1.22, describe the broad world pattern of national power and influence.
3. With reference to figure 1.24, (a) describe the areas of the world where military expenditure per capita is highest, and (b) list three countries in each of the seven categories.
4. Provide evidence that the United States is (a) a military superpower, (b) an economic superpower, (c) a technological superpower, (d) a cultural superpower, and (e) a global superpower
5. Using the information contained in figure 1.27, list the countries with the largest economies in each of the six continental groups shown in the key.
6. Using the information in figure 1.27, compare the (a) size and (b) structure of the US and Chinese economies.
7. Compare the United States' and China's strengths and weaknesses as superpowers.