

## IS THE CHINESE DRAGON LOSING ITS PUFF, OR IS IT CHANGING ITS POSITION?

Peter Hartcher's article in the *Sydney Morning Herald*<sup>1</sup> is well balanced with comments from two China experts. This is a welcomed change from other opinion articles that highlight one side of important issues with little or no attention given to the other. Additional discussion and debate on this and related issues are nevertheless needed.

The comments by one of the China experts, David Shambaugh, are available from *The Wall Street Journal*, dated 6 March.<sup>2</sup> His "five telling indications of the regime's vulnerability and party's systemic weaknesses" are overstated in the sense that some of his interpretations are debatable but are not recognised as such. An article by Chen Dingding in *The National Interest*, dated 10 March,<sup>3</sup> challenges a number of Shambaugh's statements.

It is possible that Shambaugh used the five indications as a means of generating attention for the second part of his essay where he draws out the main changes in China's governance, compared to that of Jiang Zemin and Hu Jintao. While these changes are not enough to set off alarm bells, we should nevertheless be aware of them and avoid the easy view of China that suggests nothing has changed. As Shambaugh indicates:

Mr. Xi's real "China Dream" has been to avoid the Soviet nightmare. Just a few months into his tenure, he gave a telling internal speech ruing the Soviet Union's demise and bemoaning Mr. Gorbachev's betrayals, arguing that Moscow had lacked a "real man" to stand up to its reformist last leader. Mr. Xi's wave of repression today is meant to be the opposite of Mr. Gorbachev's perestroika and glasnost. Instead of opening up, Mr. Xi is doubling down on controls over dissenters, the economy and even rivals within the party.

*Business as usual* may be considered the "American Dream" and this may, perhaps, be extended to a "Western Dream", but at the moment we do not have a newly minted Sigmund Freud to confirm those dreams. We all know, but are sometimes slow to admit it, that the world is changing rapidly. A reader of *The National Interest*, who self-identifies as "4567654" suggested the following in the readers' comment section:

Ever hear that a so-called China expert is an oxymoron? It's these same experts that tell Obama how to deal with China and it has resulted in the worst Sino-US relations since the Cold War. Obama clearly got China wrong by the advice of so-called experts.

We of course know that China was not an integral part of the Cold War, but the intention of "456765" was to establish a reference point for a time frame.

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<sup>1</sup> Peter Hartcher, "Is the Chinese Dragon Losing Its Puff?" *The Sydney Morning Herald*, 16 March 2015. Available at: <http://www.smh.com.au/comment/is-the-chinese-dragon-losing-its-puff-20150316-1m0bx9.html>.

<sup>2</sup> David Shambaugh, "The Coming Chinese Crackup," *The Wall Street Journal*, 6 March 2015. Available at: <http://www.wsj.com/articles/the-coming-chinese-crack-up-1425659198>

<sup>3</sup> Chen Dingding, "Sorry, America: China Is NOT Going to Collapse," *The National Interest*, 10 March 2015. Available at: (<http://nationalinterest.org/feature/sorry-america-china-not-going-collapse-12389>)

This opens up a related issue concerning the pressure from the Obama administration for other nations to refuse participation in the China-led Asian Infrastructure Investment Bank (AIIB). Andrew Higgins and David E Sanger reported on 17 March<sup>4</sup> that three European powers say they will join the AIIB. Additionally, Chen Weihua suggested in a *China Daily* article<sup>5</sup> that the US is losing face over the pressure it is putting on its allies, and many are questioning Obama's true intention. Can this be treated as evidence that the US is seeking to curtail the rise of China? At the very least it could indicate that the White House remains in the *business-as-usual* mentality and has not realised that China has in fact changed.

Geremie Barne gave David Shambaugh his 15 minutes of fame in suggesting that Shambaugh speaks for the majority of 320 million Americans (from Hartcher's reporting: "Barne suspects that Shambaugh's conversion into the church of "collapsism" tells us more about today's America than it does about China.") But Shambaugh is not advocating *business as usual* and avoiding that is probably more important than joining the church of "collapsism".

*If you ignore the dragon, it will eat you. If you try to confront the dragon, it will overpower you. If you ride the dragon, you will take advantage of its might and power.*

A Chinese proverb – source unknown.

John Zerby

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[j.zerby@bigpond.com](mailto:j.zerby@bigpond.com)

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<sup>4</sup> Andrew Higgins and David E Sanger (with David Jolly reporting from Paris and **Michael Forsythe from Hong Kong**), "3 European Powers Say They Will Join China-Led Bank," *The New York Times*, 17 March 2014. Available at: <http://www.nytimes.com/2015/03/18/business/france-germany-and-italy-join-asian-infrastructure-investment-bank.html? r=0>).

<sup>5</sup> Chen Weihua, "US Losing by Pressuring Nations Not to Join Asia Bank, *China Daily*," 16 March 2015. Available at: [http://www.chinadaily.com.cn/world/2015-03/16/content\\_19824559.htm](http://www.chinadaily.com.cn/world/2015-03/16/content_19824559.htm)).