

Opinion **Geopolitics**

## Stopping China's growth cannot be a goal for the west

Deterrence and trade will have to go hand in hand

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Do we want China to fail? That question came up at a recent seminar I attended for western policymakers and commentators.

The group was leafing through a report on the year ahead, when one of our number asked why one of the dangers listed for 2023 was a sharp slowdown in Chinese growth. “Isn’t that what we want to happen?” he asked.

It is a fair question. After all, the US president has repeatedly said he is willing to go to war with China to defend Taiwan. The EU describes the country as a “[systemic rival](#)”. Britain is debating formally labelling China a “threat”. Surely, if you regard a country as a threat and a rival, you do not want to see its economy growing rapidly?

Or maybe you do. Those who believe that continued Chinese economic success remains in the interests of the west have plausible arguments to make. First, China is a huge part of the world economy. If you will China to go into recession, you are quite close to wanting the world to also slide into recession. And if China were to crash — for example if its [property sector](#) melts down — the consequences would ricochet through the global financial system.

Then there is the moral question. Are you comfortable with wanting more than 1.4bn Chinese — many of them still poor — to get poorer? Demand and investment from

China is critical to countries in Africa and the Americas. Do you want them to get poorer as well?

The fact that such a debate is taking place at all says something about the current confusion in western capitals. Broadly speaking, two models of world order are doing battle in the minds of western policymakers: an old model based around globalisation; and a new one based around great power competition.

The old model stresses economics and what the Chinese call “win-win co-operation”. Its argument is that economic stability and growth is good for everyone — and that it also encourages useful habits of international co-operation on critical issues such as climate change.

The new model argues that a richer China has, unfortunately, turned out to be a more threatening China. Beijing has poured money into a military build-up and has territorial ambitions that threaten Taiwan, India, Japan, the Philippines and others. This view argues that, unless China's ambitions change or are checked, then global peace and prosperity will be threatened. Russia's attack on Ukraine, and the close alignment between Xi Jinping's China and Vladimir Putin's Russia, have strengthened the view that the best lens through which to view the world is now one that focuses on great power competition.

Unfortunately, this is not an argument that can be resolved because both world views contain elements of truth. A China that fails could be a threat to world stability. And so could a China that succeeds — as long as it is run by Xi, or another nationalist authoritarian.

The way for western policymakers to resolve the debate is to ask a different sort of question. Not: do we want China to succeed or fail? But: how do we manage the continuing rise of China?

Posing the question that way avoids basing policy on something that is beyond the control of western officials. It would not be wise for Americans or Europeans to assume that China is heading for failure, any more than it would be realistic for China to base its policies on America on the idea that the US might collapse. It is clear that both China and America do face substantial internal [challenges](#) that could — in the worst case — overwhelm them. But it would be foolish for either side to assume that outcome.

Rather than trying to make China poorer or to thwart the country's development, western policy should concentrate on the international environment, into which a

richer and more powerful China is emerging. The goal should be to mould a world order that makes it less attractive for China to pursue aggressive policies.

That approach has military, technological, economic and diplomatic elements. The US has been most effective in strengthening its web of security ties with countries such as Japan, India and [Australia](#) — which should help deter Chinese militarism.

Washington's efforts to prevent China becoming the world's technological standard-setter are gaining momentum — but will be much harder to co-ordinate with allies, who fear for their own economic interests.

Economics and trade are where the US is weakest. China is already the largest trading partner for most countries in the Indo-Pacific. America's increasingly protectionist mood, and inability to sign significant new trade deals in Asia, make Washington's counter-offer look ever less compelling.

The battle of ideas is also important. As the Ukraine war has illustrated, large parts of the world remain deeply sceptical about western motives — even in opposing an obvious war of aggression waged by Russia.

That is why it is crucial for the US and the EU to be clear — to themselves and others — that their goal is not to prevent China from becoming richer. It is to prevent China's growing wealth from being used to threaten its neighbours or intimidate its trading partners. That policy has the merit of being both defensible and feasible.

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