Manage the Chinese relationship at a personal level

MAUREEN BOYD AND COLIN ROBERTSON

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On his second official trip to China, Prime Minister Stephen Harper will appreciate that managing the China relationship is as important for our time as managing German ambition was for the first half of the 20th century.

At some point in the 2020s, China is expected to have the largest economy in the world, generating twice as much trade as the United States. The World Bank reckons the Chinese “miracle” has pulled 400 million people from poverty. China leapfrogged over Britain, Germany and Japan to become the world’s second-largest economy. Playing host to the Olympics in 2008 was China’s demonstration that it had arrived. China is now the alternate economic centre to the United States.

The miracle is not without warts. Social unrest is an abiding preoccupation of the Chinese leadership. The fear, as Mao Zedong put it, is that “a single spark can start a prairie fire.” Domestic stability is fundamental. This has led to celebrated confrontations with dissidents and over access to information.

In contrast to when Mao systematically tried to destabilize neighbours and spread communism, leadership since Deng Xiaoping has demonstrated a willingness to play according to “Western” rules. There’s still work to be done, especially around intellectual property, cyber espionage and human rights. Yet, for the most part, China has behaved responsibly in the World Trade Organization, G20 and climate-change negotiations.

Canadians have a role to play in ensuring that the international system responds to the changing concert of powers and that China is accorded place, standing and respect in a new order built on peaceful, competitive dynamism.

Our geography, demography and resources give us cards to play. As Mr. Harper has learned, it’s never easy dealing with the Middle Kingdom and its sensitivities. By focusing on people-to-people connections, we build trust that will serve our commercial interests and advance our ability to play constructive internationalism, especially in the critical Sino-American relationship.

We start with a couple of advantages. First, our history. Still a staple in Chinese liturgy on Canada is the legacy of Norman Bethune and the remembrance that we defied convention by recognizing China in 1970. Second, our existing people-to-people ties. Since 2000, China has supplied almost one-fifth of our new immigrants; today, 1.4 million Canadians claim Chinese ancestry.

Our Chinese diaspora and its ties throughout Greater China give us a head start in developing a “smart” relationship. Let’s focus on tourism and education. Achieving “approved destination status” during Mr. Harper’s last visit resulted in a 25-per-cent increase in tourists. We should aim to increase this tenfold, but we need to improve our visa services and make Canadian hotels more friendly. For example, Chinese like their tea, so put a kettle beside the coffee maker. Where once we led in education, the Australians now set the pace. Vest our trade commissioners with responsibility for education marketing. Today’s student is tomorrow’s trader, investor or immigrant.

Commerce, covering everything from forestry to financial services, is our other objective. Manulife first started selling insurance in China more than a century ago. Canadian companies that invested time and effort are making money from sales of subway cars to potash to the malt for Chinese beer. China is on track to becoming the premier destination for our softwood lumber exports. Having alternate markets increases our leverage as a seller, yet another reason why we need a pipeline to the Pacific.
Trade flows two ways. Much of the cargo that will eventually be carried through our Northwest Passage will be stamped “made in China.” We should put out the welcome mat and sponsor China for membership in the Arctic Council as we prepare to assume its chairmanship.

The West, including Canada, has teeter-tottered between two conflicting approaches, one stemming from the missionary experience and the other from the realist school of interest and power. Alone, neither is a sound basis for policy-making. Dealing with China requires patience, perseverance and hard bargaining. The China question is the challenge for statecraft in this century; it starts with getting to know one another better.

*Maureen Boyd is a senior fellow at Carleton’s Norman Paterson School of International Affairs and a former journalist in Hong Kong. Colin Robertson, a former diplomat, served in Hong Kong, with accreditation to China; he is vice-president of the Canadian Defence and Foreign Affairs Institute and a senior strategic adviser at McKenna Long & Aldridge LLP.*