Session I: China’s Asia Strategy

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I. Introduction

The underlying motivation behind this text is to examine China's Asia strategy, inspired by three specific inquiries: First, what is China's strategy towards Asia? second, what are the main challenges facing the implementation of such a strategy? and third, what are the issues arising out of China's Asia strategy? and; lastly, the prospects for China’s Asia strategy. The paper defines China's Asia strategy as one of 'Harmonious Asia,' and deems that the strategy has been successful thus far. Despite the various hurdles to the implementation of the strategy, the reality of a Sino-U.S. co-leadership structure will come to avail, under the premise that China handles these challenges with tact. The remaining four years of President Hu Jintao’s term will determine the crucial direction of such results.

II. 'Harmonious Asia': China’s strategy towards Asia

This section examines the significance of Asia in the context of China's diplomatic strategy as encapsulated in 'Harmonious Asia.'

A Harmonious World (Hexie Shijie)

Within China, discussions on strategy befitting that of the status accorded by the international society took off in the mid 1990s. As reflected in the following concepts of 'responsible state' (Zeren Daguo) succeeding the 1997 15th Congress of the Chinese Communist Party, 'peaceful rise' (Heping Jieqi) raised during 2003 Boao Forum for Asia (BFA), and the unveiling of 'harmonious world' (Hexie Shijie) by Chinese president Hu Jintao during both the April 2005 Asia-Africa Summit and the 60th United Nations (UN) General Assembly in September of the same year, the concept of a 'harmonious world' has become the crux of China's diplomatic strategy.

Conceptually, a harmonious world seeks to present a traditional Chinese thought of he (or harmony) as a universal view of global order. A harmonious society is the base of a harmonious world, and conversely, a harmonious world in turn guarantees a harmonious society. Furthermore, a harmonious world signifies both an ideology of foreign policy as well as the translation of the effort “to seek a common ground while preserving differences” (Qutong Chonyi). More specifically, a harmonious world focuses on economic co-prosperity, security cooperation, and cultural coexistence. 

Hence, harmonious world, which envelopes fields such as economy, trade, diplomacy, and culture has as its base the dependence on the spectrum of soft power. The concept of harmonious world is continually being molded to China's rise in the international society.

The motivational factors behind such a push for the concept first stemmed from China's realization that a passive stance in the global sphere would not only be counterproductive for its national interests but possibly even instigate international isolation. China pursued more flexibility from its old module of ‘hiding one’s capacity while biding one’s time’ (Taoguang Yanghui) and actively involve itself in the current international system. Second, since the idea of 'peaceful rise' did not extinguish the anxious voices of the 'Chinese threat' camp and thus called for a strategic change of sorts, China was convinced that the new concept would somewhat wipe out the negative images associated with China and its rise. Third, China thought that a firm multilateral stance would be useful to check the U.S.-centric unilateralism. Lastly, this also meant presenting to the international society China's own values and visions for the construction of a new international order accordant to its global status.

In sum, Chinese scholars such as Liu Jiangyong of Qinghua University evaluate that it was for a significant time that the construction and consolidation of a harmonious world played the elementary base for Chinese diplomatic strategy.

'Harmonious Asia' (Hexie Yazhou)

The background leading up to China’s pursuit of Harmonious Asia includes that internal economic progress within China as well as regime stability all require stability in terms of the adjacent regional security environment. Asia represents China's stepping-stone for its path leading to the international society (Lizhu Yatai, Mianxiang Shijie), in addition to the area wherein China's political, economic, and security interests are heavily concentrated. Although China is slowly taking on the shape of a powerful state, it does not yet have the equivalent global reach as that of the U.S. Hence, China is planning to take gradual steps in its rise and herein Asia becomes an optimal region at least in the short to mid-term for China to exercise and experiment its influence and international management skills upon.

The region of Asia signified an essential strategic channel for China and its employment of a diplomatic-security policy of zou chuqu (going out) in regards to the international society. Through such efforts, a stable relationship with Asia becomes extremely important, as harmonization takes on the crux of China’s foreign policy stratagem. In this respect, China's Asia strategy can be said to be one of ‘resembling harmony with Asian states’ (Hexie Yazhou). Conceptually, Harmonious Asia is an Asian variant of Harmonious World. Harmonious World is divided into four contexts including Harmonious Asia-Pacific, Harmonious regional bloc (that is, Northeast Asia, Southeast Asia, Central Asia, South Asia), as well as Harmonious bilateral relationships.

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To expatiate on strategy, China's 'harmonious Asia' proceeds along three tracks: First, economic cooperation to make neighbors prosperous. China is not only approaching the regional Asian states as bilateral partners, but also using the multilateral channel to develop and intensify economic relations. For example, the proportion of external trade and investments from Asia for China are extremely high according to 2006 statistics, 47% and 55% respectively. Also, China is planning an FTA with ASEAN for 2010, and similarly is at the joint research and negotiation stage with Australia, India, and South Korea. Moreover, China is also strengthening cooperation with subregions such as the Mekong river area.

The second component of 'harmonious Asia' is installing partnerships to coexist peacefully with neighbors. China is bolstering bilateral relations with important states through partnerships. Though there are many expressions to describe the partnership endeavor by China, the definitional challenge still remains. However, partnerships usually exist regardless of ideology - a relationship unencumbered by fundamental misunderstandings, not hobbled by mutual animosity, with two states making cooperative efforts to share mutual benefits through practical steps towards achieving those very ends while deepening ties. If initially the relationships were struck with mainly powerful states such as the U.S. and Russia, beginning in the late 1990s, countries like India and South Korea were also targeted.

The third component of 'harmonious Asia' is multilateral security reassuring neighbors. Initially, China was of the mind-set that multilateral organizations were counter to its own national interests, but with the 16th Congress of the Chinese Communist Party in 2002 as reference, such mind-set became more optimistic. Not only is China participating actively in venues such as APEC, ASEAN+3, ASEAN+1, ARF, and EAS, it is leading discussions within SCO and the Six-party talks. Furthermore, China is deploying peace-keeping forces in conflict areas and proceeding to undergo joint military exercises with other states.

To sum up, the phrase Harmonious World effectively reflects the universal value and reality as China’s diplomatic strategy. The phrase connotes a sense of ‘togetherness’ that appeals strongly to the international society. One could state that China's Asia strategy has been quite fruitful, as China has been able to gain amicable relations with the regional states.

III. Main Challenges to China's “Harmonious Asia” Strategy

Despite the gains, there linger future challenges to China's implementation of the Asia strategy. The challenges can be classified in the four following different aspects.

If the U.S. reinforces smart power?

Foremost, if the U.S. succeeds in implementing its own Asia strategy in a more comprehensive and effective way, China's strategy may be at risk. In fact, the recent surge
in China's status in Asia has in part been attributed to the general passivity of the U.S., which has been preoccupied with the War on Terror as well as the situation in Iraq. However, post-November 2005 after the visit by President Bush to the four states of Japan, South Korea, China, and Mongolia, the U.S. seems to be in the process of reformulating its neglected Asia strategy.

Currently, the U.S. is pursuing an 'offshore balancing' act. In containing China's rise, the U.S. is recruiting friendly states from the Asian region to form an alliance to gain the strategic upper-hand against China. Specifically, the U.S. is helping Japan's normalization plan, encouraging India's rise as part of consolidating its status as a major player in the Asian sphere, and cultivating states that will not easily bandwagon with China (as is the case with Indonesia and Vietnam), all with the intention to fashion democratic security provider states like South Korea and Australia. To rephrase, the U.S. is not forcing these states to succumb to its power, but rather, encouraging each state's power so that they may keep China in check. The effectiveness of such a strategy will determine the threat level to China's own strategy.

Next, if the U.S. reinforces its smart power, China's 'harmonious Asia' may be vulnerable to even more destructive impacts thereof. The foreign policy slogans of the U.S. resonates a stark contrast between 'us' and 'them.' For example, the notion of the 'arc of instability' gives off a hostile connotation, while the concept of 'transformational diplomacy' holds a strong sentiment to fundamentally change a target. Though the latter concept has shifted its focus from a force-based to diplomacy-based notion, in theory, the idea still yields the intention of 'change.' However much the U.S. would like to see an adequate change occur in rising states toward the spectrum involving freedom, democracy, and human rights, could change occur within a nation like China? Smart power refers to the capability to carry out a coherent strategy combining those factors that fall under hard power such as military force and economic sanctions, as well as those variables under the essential element of appeal that is soft power.

Just as the CSIS Commission on Smart Power suggests, if the U.S. pursues a strategy of, 1) restoring alliances, partnerships, along with the multilateral network; 2) leading the area of a global public health system; 3) investing in public diplomacy; 4) actively participating in the global market; and 5) leading issues regarding energy and environmental security, the competition for the hearts and minds of states between the appeal from smart power brandished by the U.S. and a 'harmonious Asia' proclaimed by China will be fierce.

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If Japan invents its own diplomatic strategy?

There has been no case as of yet, of two strong powers being shoulder-to-shoulder with one another in East Asia. While China was at the helm up to the first Sino-Japanese War, Japan grabbed the seat after the Second World War. It is not surprising that two states wanting to become equals would compete over the supremacy over a certain area. However, if Japan were to counteract China's 'harmonious Asia' strategy by pursuing one of the following factors, China will need to be even more vigilant.

What if Japan were to practice a more attractive strand of diplomacy? The concept of 'value diplomacy' was a new idea brought in to Japan's foreign policy after Shinzo Abe's election in September 2006. In November that same year, Japanese Foreign Minister Taro Aso argued for supporting the creation of an 'arc of freedom and prosperity.' In January of 2007 during Abe's visit to Europe, the suggestion of creating a Europe-Asia democratic coalition amongst like-minded states came to the spotlight. Seven months later in August during Abe's visit to India, the intent to solidify alliances with other Asian states through the sharing of those universal values such as democracy, human rights and the rule of law and thus establish a 'value-oriented diplomacy' was declared.

Though the moves by Japan could be understood in a favorable light in that Japan considers soft power in its implementation of foreign policy, the moves also signal a more ominous motivation for Japan to stay at least as the number two power, by gaining leverage in its competition with China and obtaining its private space in the global system, as well as containing the possibility of a bilateral order including the U.S. and China. However, Japan's 'value-oriented diplomacy' has lost much of its tract. Not only did Fukuda focus only on the Asia region, but the three powers of U.S., Australia, and India for reasons of both internal and external nature, became rather passive participants.

The fundamental dilemma is that Japan has no seat in its own conceptualization of its foreign policy. What if Japan were to invent its own indigenous brand? How about a more appealing act of diplomacy? The idea of an 'arc of freedom and prosperity' simply brings to mind the 'arc of instability' of the U.S. In fact, Abe's value diplomacy harks back to those values long proclaimed by the U.S. Also, Japan has not been as active as the U.S. in terms of promoting democracy and human rights in its diplomacy. The unresolved issues involving history only serves to undermine what conviction value diplomacy heralds. In that case, what about applying Fukuda’s 'synergy diplomacy'? The policy undertaken by Fukuda has been a balanced one wherein a trouble-free relationship has been established and managed with the Asian states. However, 'synergy diplomacy' connotes a technical characteristic of emphasizing Asia above that of the U.S.-Japan alliance. If Japan successfully kneads its own brand by complementing the proposed values with great appeal in terms of diplomacy, not only will this attract more regional states but also become a strong competitor to China's 'harmonious Asia' strategy.
If China has difficulty harmonizing with regional states?

Within China's 'harmonious Asia' principle, the notion of economic interdependence takes on great importance. China compromised on issues when negotiating an FTA with regional states, even submitting to a trade imbalance. However, could China be as resilient if the economic situation falters or factors contribute to cause a tough position from which to absorb continual trade imbalances? Moreover, China exhibits dormant factors that could come into conflict with regional states. These range from historical disputes such as Goguryo, territorial disputes including Diaoyudao/Senkaku and Nansha/Sparatly Islands, regional security issues such as the North Korean nuclear, other potential flash points like human rights, nationalistic sentiments on Taiwan and Tibet and China's growing military modernization. Whatever the case, it would be inevitable to face up to the situation and seek a resolution, but how China goes about doing so will determine the success of its 'harmonious Asia' strategy - if China turns to nationalism or a method of pressuring or taking advantage of regional states in the name of national interests, backlash from those very states will make it difficult to implement China's Harmonious Asia strategy.

If China does not take sufficient responsibility?

Another potential challenge to China's strategy is if China is not willing to take on much responsibility. In September of 2005, since the statement made by the then U.S. Deputy Secretary of State Robert B. Zoellick, China has sought to develop a responsible foreign policy and become a responsible stakeholder within the international system. Nevertheless, despite the calls embracing the role, there are also those skeptical of the motivations behind such a statement by the U.S. as well as of China's own understanding of depth and scope of responsibility, in insisting that China should consider responsibility only up to the point that it does not bring China into a sacrificial position. If China does not adhere to a role befitting its status, there will be voices questioning China's willingness to take on such a role entailing responsibility in the international sphere. If there is no trust, China's Asia strategy will crumble.

IV. Issues Related to China's 'Harmonious Asia'

Unlike the mindset of the U.S. and Japan, the possibility of voices calling for the need for a new system will rise once China becomes a responsible state and the regional states embrace China's subsequent leadership.

Concert of the three powers (U.S.-China-Japan)

The first such possible scenario is a three-power co-governance structure. The U.S. maintains a critical role in formulating the system in Asia. Any attempts at rectification without the participation of the U.S. will be quite unstable. Japan has at its disposal an
independent defence capability and is in the process of becoming a powerful state on the military front. In the meantime, China is cultivating its power in a comprehensive manner under the concept of 'peaceful rise' both in terms of economic and military capability. In light of the capacity of the three powers and their sufficient qualifications to govern, the possibility of a tripartite co-leadership system may be considered. Yet, in order for this to happen, the states will have to mutually recognize a few facts: the U.S. and Japan will have to acknowledge China's rise and its governing status while reversely, China will have to accept Japan as a normalized state and the accordant hegemony of the U.S.

Perhaps one of the most essential variables to consider in terms of the tripolarity is that, due to the national power, Japan within the discussions of a strategic system configuration cannot be excluded. However, China will most likely lack the respect it holds for Japan as it does for the U.S. China is most concerned about the re-normalization of Japan as opposed to the U.S., and China views this as a potential hindrance to China's rise.

Another related question stemming from the aforementioned query is whether key regional powers such as South Korea, Australia, Indonesia and Vietnam will readily accept Japan as one of the three governing powers. While these powers fundamentally acknowledge the leadership of the U.S., and perhaps almost accept China's similar qualities, they exhibit many doubts and suspicions against Japan's authority and capability in leadership. This may make it a difficult endeavor for Japan to gain the support from the regional states without resolving its issues of history along with a clear vision.

U.S.-China Joint leadership

A second consideration could involve a joint leadership structure by the U.S. and China. While the power of the U.S. has declined and thus makes it difficult for the U.S. to maintain absolute hold on its leading status, China is gaining strength, which will prevent it from accepting the status quo. If China does indeed play a most constructive role on the range of global issues including Iraq, Afghanistan, both Iran and North Korea's nuclear ambitions, Sudan, and Myanmar, the U.S. may have to seriously consider the prospects of a bipolar international system involving China. In an environment wherein the U.S. is not afforded the luxury to try and change the internal situation within China, nor carry through with demands against China, the successful implementation of an Asia strategy by the U.S. will not be easy without the help of China. Therefore, the U.S. should

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13 Layne, op cit.
contemplate to compromise with China within an adequate period. Perhaps the time for such discussions would be within the next few years.

V. Future Prospects

Usually, a state's international status and prestige is determined by that state's vision, overall capability, and the resultant international response. China wishes to be recognized as a global power. The Beijing Olympics clearly symbolized such ambitions. The trend seems to sway in favor of China as not only is China's overall power growing, but the international society seems to be recognizing this China in transition. Beginning from a few years back, the concept of a 'harmonious world' has become China's strategy towards the global sphere, while similarly, 'harmonious Asia' has become China's strategy towards Asia.

China is clearly heading down the path that leads to a powerful state. To once again use the example of the Beijing Olympics, a record number of 205 countries participated, while the opening and closing ceremonies were observed by roughly 100 invited heads of state. Departing from the usual protocol, the respective ceremonies were conducted wherein athletes appeared on stage in order by the Chinese alphabet. Now the 2010 Shanghai Expo presents another great opportunity for China.

The four years left in President Hu Jintao's term happens to fortuitously overlap with the four years that the next U.S. president will face. An evaluation of the resiliency of the harmonious global strategy will be possible within Hu's period in presidency. The strategy may be pushed off to the side and scrapped altogether, or it may last as long as a Duracell Bunny. If the policy comes to fruition, talks on joint governance with the U.S. will gain steam. The question of how to strike a balance between a U.S.-centric global system with that of China's harmonious world is indeed becoming a hot topic.\(^{14}\)

Nevertheless, a rise means accordant global responsibilities. The requests and pressures for greater responsibility by the international society from China will increase. Within the concept of 'harmonious world' is not only the will to become harmonious with the world, but also the intention to make the world harmonious. In a similar vein, there is both the intent to harmonize with Asia, as well as to make Asia harmonious. Asia in the context of China's plans for the employment of a harmonious global strategy represents an Achilles heel, if China attempts to mold Asia in its own way. If China succeeds in harmonizing with Asia, this will open the gates for China's entry into the world.

The same would apply to both the U.S. and Japan, but if China wishes to see its leadership position consolidated in the sphere of Asia, support from middle-power states will be critical. It is true that there exists a group of states that is either band-wagoning with the U.S. or China, but there also exists those that are hedging. Against the backdrop of where even small states that are pro-American are quickly recognizing the reality of a

rising China, the quest to appeal to the minds of the middle and key powers such as South Korea, Vietnam, Australia, and Indonesia becomes essential. These are the very states that could ultimately sway public opinion and consolidate influence through coalitions. Once China becomes harmonized with the region of Asia, it will also become harmonized with the world. Only then, will China’s sincerity of *he* (harmony) be truly accepted by the world.