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**CHINA'S FOREIGN POLICY AFTER
THE 17TH PARTY CONGRESS**

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Introduction

The 17th National Congress of the Chinese Communist Party (CCP) held in October 2007 confirmed the re-election of Hu Jintao for a second term as the CCP General Secretary. During the National People Congress (NPC) in March 2008, Hu was also re-elected as China's president, and also as the Chairman of the Central Military Commission (CMC). By retaining his position in these three top posts, it is clear that President Hu Jintao will continue to preside over the furtherance of national development and the conduct of China's foreign policy for the next five years. During this second tenure, it is expected that Hu Jintao would consolidate and advance his domestic achievements, continue to improve China's standing in international affairs, and strengthen its status as a rising great power (*daguo*).

Within the domestic context, the direction of China's domestic political reform has attracted a wide attention from many quarters, both within and outside China. Addressing the social and political impacts of fast and spectacular economic progress over the last three decades has been seen as a key political challenge for Hu leadership. In the international arena, managing the impact of its rise to a great power status –both in terms of managing its relations with other great powers and its relations with the immediate neighbouring countries in Southeast Asia—would continue to preoccupy China's foreign policy agendas in the years to come. In other words, coping with the burden of success would define both China's domestic politics and external relations.

Domestic Developments

Like in any other countries, domestic developments in China also serve as an important context within which foreign policy is formulated and the conduct of foreign relations is carried out. The domestic context for China's foreign policy after the 17 Party Congress of October 2007 would not be radically different from that of previous years. China's leadership will

continue to face the twin challenges of advancing comprehensive national strength (economic and military) and maintaining political legitimacy. On the one hand, in the years following the 17th Party Congress, China's domestic scene would be characterised by continuing economic growth and, consequently, the consolidation of both hard and soft power. On the other hand, however, China would also be facing the challenge of taking innovative ways to sustain and consolidate political legitimacy.

In terms of economic development, the results of three decades of reform and opening up have been spectacular. The 17th Party Congress undoubtedly also strengthened further the path of reform and opening up. Indeed, two years in the run up to the 17th Party Congress, there was an interesting debate over the negative effects of reform such as corruption and the widening of income gap between the rich and poor.¹ The ensuing debate over the Property Rights Law since the summer of 2005 also raised questions about reform and opening up in general. Some, for example, were worried that the ongoing reform would only benefit the few, turn China completely into capitalism, and ignore the "weak and vulnerable" (*rushi qunti*). In their responses to such worry, however, President Hu Jintao and Prime Minister Wen Jibao repeatedly stated that China would continue to pursue the path of reform and opening up. During the 2006 National People Congress (NPC), for example, he maintained that "we should unswervingly adhere to the reform orientation."²

Challenges, however, remain. Indeed, income equality and corruption have been pointed out by President Hu Jintao as two most pressing problems to be tackled. China's leaders are clearly aware of the impacts of these two problems not only on the ability of the CCP to govern effectively, but also on its very legitimacy. The reality of China's imbalanced economic development, however, was not lost on Chinese leaders. While the 17th Party Congress continued to emphasise the importance of economic development, market reform and integration of China into the global system, General Secretary Hu also pledged to deepen the reform of the income distribution system for reversing the growing disparity in the years to come.³ President Hu Jintao has also pledged to improve the CCP's governance, and promote greater people's participation in policy-process. For that purpose, he promised to eradicate corruption, promote inter-party democracy, and strengthen grass-root democracy.⁴

¹ See, Joseph E. Lin, "In a Fortnight," *China Brief: A Journal of Analysis and Information*, vol. VII, Issue 19 (17 October 2007), at <http://www.chinabrief.org>

² Quoted in China in 2007: The Politics of Leadership Transition," *Asian Survey*, vol. XLVIII, No. 1 (January/February 2008), pp. 84-85.

³ "Hu Jintao Charts Roadmap for China: Sustainable Growth, Greater Democracy," <http://english.people.com.cn/90002/92169/92187/6283198.html>

⁴ "Hu Jintao Vows to Expand People's Democracy," at <http://english.people.com.cn/90002/92169/92187/6283140.html>

As China continues to enjoy the fruits of economic development and high economic growth, it is natural that the expansion of wealth would also have an impact on China's overall comprehensive national strength (*zhonghe guoli*). First, China's military would continue to grow commensurate with its economy. The growth in economic power has made it possible for China to allocate its newly-acquired wealth to modernise and develop its military capability. Indeed, within the context of Asia-Pacific, China is not only an economic power house, but also a military power. Second, China has also demonstrated that it is now in the position to wield impressive soft power, primarily in the form of growing political and diplomatic influence as a rising great power (*daguo*). Third, the growing importance of China as both economic and military power has also presented an opportunity for Beijing to consolidate its diplomatic and political influence in the region. With the increase in both hard and soft power, China has now become a nation with strong sense of confidence and nationalism, in search of a rightful place within the international community.

Great Power Status and the Dilemma of a Rising Power

The rise of China clearly brings about important implications for East Asia's regional relations, and serves an important catalyst for a dynamic power shift in the region. As argued by Shambaugh, "the structure of power and parameters of interactions that have characterized international relations in the Asian region over the last half century are being fundamentally affected by, among other factors, China's growing economic and military power, rising political influence, distinctive diplomatic voice, and increasing involvement in regional multilateral institutions."⁵ Consequently, East Asian region is now confronted with a classic problem in international relations, namely, the challenge to respond and manage the rise of a new power.⁶ Therefore, the characteristics and dynamics of major powers relations in East Asia in the years ahead will also be affected by the regional states' responses towards the rise of China.

Here, it is fair to say that China is also facing a dilemma of a rising great power. On the one hand, as China's national interests –both economically and politically –have become more and more intertwined with the outside world, it is natural for China to become more active and play a more assertive role in the international stage. On the other hand, however, China's growing role as a great power is bound to raise many questions regarding the nature of its rise and future agenda. For example, there is still

⁵ David Shambaugh, "The Rise of China and Asia's New Dynamics," in David Shambaugh, ed., *Power Shift: China and Asia's New Dynamics* (Berkeley: University of California Press, 2005), p. 1.

⁶ Evan S. Medeiros, "Strategic Hedging and the Future of Asia-Pacific Stability," *Washington Quarterly*, Vol 29, No. 1 (Winter 2005-2006), p. 146.

an ongoing debate whether China is a revisionist or a status-quo new great power. Indeed, it has been noted that "one defining tension in Hu's foreign policy agenda is to find a balance between pursuing international influence and downplaying its aspirations to being a global power."⁷

The rise of China has also brought to attention how its relationship with other major powers --notably the US, Japan, and India-- would evolve in the future. The US continues to have a mixed view of China as both strategic competitor and partner. It is also not easy for the US to ascertain whether China is an opportunity, a threat, or a challenge. In various policy pronouncements by American leaders, the strategic importance of China to the US remains ambiguous. For example, the depiction of China by US policy makers has changed from "a partner" to "a strategic competitor", and more recently, to a "responsible stakeholder." Moreover, some in the US even believe that China will in the future become an "enemy" that would challenge the primacy of the US and therefore needs to be contained. Japan has also been worried about the prospect of China becoming a threat that would undermine East Asian stability. India also expects that China would acknowledge the new positive role of New Delhi in East Asia, and will not challenge the presence of India in Indian Ocean or Southeast Asia.⁸ In other words, the rise of China has a major policy issue for other major powers of what that rise would entail for security and stability of the region.

China clearly understands such a dilemma. Three major aspects of China's foreign policy strategy reflect China's attempt to manage the dilemma. First, it continues to convince the international community that its rise is peaceful and not meant to challenge or threaten anyone. This has been manifested in China's efforts to develop the concept of peaceful development. Second, China has also embarked upon a new catchphrase that describes its intention to create a "harmonious world." As Foreign Minister Yang Jiechi maintains, a harmonious world can be created if all countries resolve their differences by peaceful means, strengthen their exchanges and cooperation to increase the elements of harmony in the world and reduce elements of discord.⁹ Third, China has also begun to employ more soft power approach in conducting foreign policy. All these three major aspects of foreign policy strategy are being employed in order to counter the fear for a "China threat." Therefore, China would continue to pursue a foreign policy aimed at creating a stable and secure external environment in order to enable the continuation of domestic development and reconstruction.

⁷ Suisheng Zhao, "Chinese Foreign Policy in Hu's Second Term: Coping With Political Transition Abroad," Foreign Policy Research Institutes E-Notes, 10 May 2008, at <http://www.fpri.org/enotes/20080510.zhao.chineseforeignpolicyhu.html>

⁸ Walter Andersen's presentation at a seminar at USINDO, "Rising India: A Win-Win for All?," Washington DC, 21 Februari 2006.

⁹ "China's Diplomacy: New Era, New Vision," *Beijing Review*, No. 12, 20 March 2008, at http://www.bjreview.com.cn/quotes/txt/2008-03/14/content_104922.htm

China and Southeast Asia: Winning Trust, Alleviating Fear

Southeast Asia has been the place where China's attempt to project its image as a peace-loving country has been relatively successful. China's relationship with all ten Southeast Asian countries has been generally good and continues to improve. China is no longer seen as a threat to stability and security of the region. The image of China eager to destabilise regional countries through revolutionary foreign policy of supporting communist insurgencies has long gone, replaced by an image of China as an engine of economic progress which provides opportunity for regional countries to tap the benefits. Indeed, China's foreign policy towards Southeast Asia over the last two decades have been based on the need to win the trust of regional countries through the intensification of economic cooperation, trade, investment, cultural exchanges, and more recently political-security cooperations. Through this intensified relations, Beijing also hopes to alleviate the fear of a rising China.

However, concerns remain. First, there is still a question of how China is going to use its new standing and influence in achieving its national interests and objectives in the region. Despite tremendous improvements in ASEAN-China relations, various problems continue to persist in bilateral contexts. Responses from ASEAN member states towards the rise of China would also be influenced by China's willingness and seriousness to resolve those problems. At regional level, ASEAN would not want to see China that seeks to dominate the region and defines its relations with ASEAN states in terms of its competition with other major powers. So far, it is important to note that China has pursued positive foreign policy measures in assuring Southeast Asian states that it has no such intention. ASEAN expects that China continues to strengthen its commitment and engagement in a web of multilateral security cooperation and dialogues in the region.

Second, as China rises to the status of great power, there is also expectation within the international community that China would fulfil certain obligations associated with that status more actively. For one, it is expected that China would use its influence and leverage in order to address many international issues, particularly the troubled behaviour of some states that undermine international norms and threaten international security. Indeed, China has begun to show some encouraging signs towards that direction. China's role in addressing the problem in Sudan, North Korea, and Myanmar, for example, have been appreciated. Southeast Asian nations welcome China's rise and seek a stable long-term relationship with China. On its part, it is also imperative for China to continue treating Southeast Asian countries as equal partners in a mutually beneficial relationship.