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## **PLENARY SESSION TWO**

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### **China: Less Charm, More Offensive**

*“China is a Big Country, Other Countries are Small Countries”: Analyzing the Facts of Power Asymmetry*

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**“CHINA IS A BIG COUNTRY, OTHER COUNTRIES ARE SMALL COUNTRIES”:  
ANALYZING THE FACTS OF POWER ASYMMETRY**

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Remarks for panel on “China - Less Charm, More Offensive? A Southeast Asian Perspective”  
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The title of my paper today draws from a statement by China’s foreign minister Yang Jiechi:

*“China is a big country and other countries are small countries, and that’s just a fact.”*

Many of us will recall his issuing this statement at the ASEAN Regional Forum in Hanoi in July 2010, according to press reports in a fit of anger after 12 countries including the United States had raised concerns over the worsening situation in the disputed South China Sea. Most reports say the statement was directed to Singapore’s foreign minister George Yeo, presumably a response to Singapore’s active role in facilitating US military engagement in the region. Others consider that it may as well have been a message for all of ASEAN, the group of neighbors with whom China has been locked in a stalemate over how to proceed in the management of disputes in the South China Sea.

The statement is imaginably one that the speaker regrets or will regret ever having said, as it may often be quoted as representing an imperious attitude by China toward its smaller and less powerful neighbors. It may also be one that the neighbors will also dread being reminded of, because of the inescapable difficulties that asymmetry implies for their future relations with China, notwithstanding decades of economic and political engagement and the so-called ‘charm offensive’ by the region’s rising power. By starting off my remarks with this controversial statement, I am neither being malicious nor trying to stoke the fires of discord among neighbors. Rather, I wish to express agreement with the statement: it IS a fact that China is a big country, and it IS a fact that many of its neighbors are small

countries in comparison. But what are the repercussions and ramifications of such facts on the evolving dynamics of China-Southeast Asia relations?

A main argument of this paper is that in the geopolitical context of the region and in the search for regional order and a new security architecture for East Asia and the Pacific, bigness is not always a source of strength, while smallness need not necessarily consign one to a position of weakness. Moreover, big strong countries, particularly rising powers like China, need smaller ones to provide validation and legitimation of their aspirations for power and influence.

I will not elaborate on the obvious advantages of being big, and the likewise obvious disadvantages of being small but let me mention them, at least. In China's case, being big means having a huge market attracting imports and investments from the rest of the world, a large foreign exchange reserve to invest or offer as assistance to developing countries, an immense pool of human resources from which to draw talent to help build a modern economy as well as defense forces, and a seat of privilege in international organizations where rules of international society are made, among others. For many of its neighbors, being small means possibly a greater dependence on international trade and foreign capital and technology to provide the needs of their populations, and the lack of self-reliant defense capability against superior external threats or potential threats.

One caveat is in order: using various measures, some Southeast Asian countries cannot really be considered small by world standards. Indonesia, the Philippines, Vietnam and Thailand are the world's 4<sup>th</sup>, 12<sup>th</sup>, 13<sup>th</sup> and 19<sup>th</sup> most populous countries respectively. (Collectively, ASEAN represents close to 600 million people.) Singapore and Brunei have the 3<sup>rd</sup> and 5<sup>th</sup> highest per capita GDP in the world while Indonesia had the 15<sup>th</sup> highest GDP in 2010 (Source: IMF, using PPP measures). Singapore, Malaysia, Thailand and Indonesia are among the top 30 exporters and importers (Source: CIA World Factbook). Singapore and Indonesia were among the top 30 countries with the biggest military expenditures for 2010, while China was next only to the United States (Source: SIPRI).

China is a big country

China's recent behavior in the South China Sea and East China Sea, the two areas possibly of most concern to Southeast Asia, certainly smacks of big power behavior. Efforts to prevent oil and gas exploration activities by neighboring states, the increase in its military presence and military exercises reportedly demonstrating surprising advances in naval power projection capabilities, the sharp rebuke of Japan following the Japanese Coast Guard's arrest of its fishermen, its readiness to challenge US military activities in its EEZ and airspace, are but the most prominent indications.

Now let us turn to how being big can be a source of either weakness or constraint for China and how this may be affecting relations with Southeast Asia.

Because China is big, it has many internal problems that its leaders will need to focus on, especially to shore up legitimacy and ensure survival of the Chinese Communist Party's regime in the coming generations. China's leaders are currently facing very complex social and economic development issues, many of them typical of developing countries but of a much, much larger scale. Some of these are leading to pressures and expectations of political or governance reform that will keep the incoming fifth generation leadership on their toes, and in need of a stable external environment.

On the other hand, Chinese society and polity, including both elite and masses, have become more pluralistic, rather than monolithic. Foreign policy is increasingly influenced by multiple actors and interests. New actors with respect to the South China Sea include oil industry interests and fisheries authorities, the latter apparently working in close consultation with the PLA Navy to enforce China's sovereignty claims. Mining firms, construction companies, major manufacturing enterprises, and even local governments of China now have important stakes in various countries of Southeast Asia. Public opinion, notably nationalist in orientation because of the cumulative effects over time of state propaganda and historiography, weighs in on decision makers more than ever before, but it has become a double edged sword that can work for or against the state in China. One consequence of multiple interests and actors may be a breakdown in discipline and authority of the center, leading to increasing unpredictability and apparent inconsistencies in China's position. For instance, while major diplomatic initiatives were taking place such

as the April visits by Wen Jiabao to Malaysia and Indonesia, and Defense Secretary Liang Guanglie's good-will visit to Singapore, Indonesia and the Philippines just two weeks ago, Beijing was announcing that it was beefing up its ocean surveillance capability and that it would carry out more sea patrols.

Having more foreign policy actors also means, however, the gradual need for Beijing to more carefully weigh and balance competing interests in its foreign policy decision-making, which could constrain the influence of, say military hardliners or Party conservatives.

Because China is a big country, it shares land borders with many other countries, leading to multiple external security concerns. Among 14 countries bordering China, there are disputed areas with India and Vietnam that remain uneasy (due to bigger geopolitical tensions with these countries), while fears of cross-border support for Xinjiang separatists from the central Asian neighbors are bound to persist. Aside from land borders, China has to contend with undefined maritime boundaries and territorial disputes in the East China Sea, involving northeast Asian neighbors that have more complex interfaces with China's security interests (Diaoyutai/Senkaku and Okinotorishima with Japan, Jeodo/Suyan with South Korea). Thus, in the overall scheme of things, China's disputes with some Southeast Asian countries over the Spratlys and Paracels are not a major threat to its core interests.

Having said that, the question of freedom of the seelanes and revived discourse on the global commons in the light of China's growing anti-access and area denial capability in the strategically important South China Sea, have enlarged the significance of the territorial and maritime jurisdiction disputes, thus implicating ASEAN and specific member states of ASEAN in great power competition (not to mention Japan with whom China had major territorial tensions late last year).

Indeed, because China is big, other big powers are sensitive to its emergent challenge. Many of us have observed the growing strategic competition between the United States and China particularly in the maritime arena in the last two or three years, as China becomes more assertive of what it considers its core sovereignty and security interests and the US more protective of its long-standing primacy. Until the rationale, parameters, and

objectives of Chinese power become more apparent and until other states are persuaded of their legitimacy in the context of building a new global and regional economic and security order, there will tend to be caution and concern toward China.

Finally, because China is a big country and a rising power, its smaller neighbors will tend to be wary of it, unfortunately almost regardless of how China plays its cards. This is the natural consequence of history, geographic proximity, and power asymmetry but also of the existing irritants including disputed territories in the South China Sea and water resource conflicts in the Mekong. The situation can of course be transformed, but in China-Southeast Asia relations we find that while an active and sustained diplomacy of cooperation and compromise can gradually improve perceptions of China, it takes little more than a few instances of Chinese gunboat diplomacy to revert back to suspicion and mistrust, and to push neighbors into hedging or balancing strategies. And indeed, we have been seeing more of gunboat diplomacy from China and more of the tendency toward hedging and balancing on the part of Southeast Asia. Vietnam's plans to purchase 6 kilo-class submarines from Russia, the Philippine's agreement announced last January to expand cooperation with the US to promote territorial defense and maritime security, Indonesia and Singapore's expanded security cooperation with the United States are all to one degree or another responses to the uncertainties caused by the rising power of China.

Indeed, China appears more willing now to use its strength and size to promote its interests, driven by new domestic forces (e.g. leadership succession, new foreign policy actors and interests, sensitivity to the "Arab Spring" and its potential repercussions on democracy movement in China, the need to unify the population as internal social and economic problems worsen, etc.) and perhaps reacting to explicit efforts by other big countries to secure their superior position as maritime powers in the waters surrounding China. But as we have pointed out, there are constraints and countervailing forces and trends that militate against an aggressive and violent rather than a peaceful rise for China.

#### Southeast Asian countries are small countries

Small countries have less options than big ones for dealing with rising powers. The higher their degree of economic dependence on China, the more vulnerable small states are

to shocks in the relationship that may occur and the stronger the temptation to bandwagon with the rising power. On the other hand, those countries that can or need to, may engage in soft balancing (hedging) or if necessary, hard balancing by procuring more sophisticated weapons or allying with other great powers. Because they are small countries, hedging and balancing behavior are by and large seen as natural and legitimate defensive strategies rather than offensive in intent. . Efforts to engage and accommodate not just one but two or more even adversarial powers are also tolerated. Moreover, small states can enlarge their influence by coordinating policies and actions, such as have been done through the various institutions, mechanisms, and arrangements of ASEAN

Southeast Asian countries do not pose a challenge to China in any way. No government in the region seeks to subvert the political system of China or to impose values or other conditions in their relations with China. Nor do they seek, despite territorial and maritime claims rivalling those of China, to reconfigure the limits of China's recognized sovereignty, or to deprive China of energy or other resources required for its economic development. Nonetheless, as the weaker states in the shadow of a rising power, Southeast Asian states must realize that only if they come together can the influence of each one over China grow stronger, despite fear that this will lead to a perception of ganging up against China and thus elicit unwanted hostility.

With respect to the South China Sea, as important as ASEAN unity may be in ensuring a solution that is peaceful and that does not end in hegemonic control by one power, the reality is that ASEAN states do not have a unified position or strategy for addressing this issue, although there are some positive indications of growing coordination. In the ongoing discussions on the implementing guidelines for the declaration of Conduct, ASEAN's insistence on having intra-ASEAN consultations prior to sitting down with China betrays its desire to draw strength from numbers.

On the other hand, China can leverage division among the weaker states of ASEAN but it may find power asymmetry to be a double-edged sword, as weak states standing on their own may refuse to engage at all in what is perceived as an unlevel playing field, leaving the strong state without an arena for leveraging. In the end, how China relates with

ASEAN and Southeast Asia depends on its evolving intentions as a regional power: an aspiring hegemon logically might prefer a weak and divided Southeast Asia, but one truly aspires for a new multipolar order would benefit from a strong and united ASEAN that is confident and able to assert its own independent position on regional and global affairs.

Moreover, as a rising power China's best chance of finding legitimacy and acceptance is through recognition of its great power status by its Southeast Asian neighbors, while other great powers may not be so easily persuaded.

In Chinese philosophy of yin and yang, there is a harmony of opposites. Yin creates yang and yang activates yin. Big countries and small countries define each other. There is only value to being a great power if others are willing to play along. So it may be wise for China to lay on the charm, and lay off on the offensives.