

Assessing China's Geostrategic Positioning and Impact: German and Malaysian Perspectives

Asia has become the centre of interest because of its growing importance for global peace and stability. The United States, the European Union, and Nato are all trying to increase relations with the region. It is in this context that the Konrad Adenauer Stiftung (KAS) and ISIS Malaysia initiated the first Germany - Malaysia Security Forum, on 26 June 2012, in Kuala Lumpur. **General Klaus Naumann**, former Chief of Defence, Bundeswehr, and former Chairman of the Nato Military Committee, and **Datuk Abdul Majid Khan**, President of the Malaysia-China Friendship Association and former Malaysian Ambassador to China made presentations at Session One of the Forum. ISIS Analyst **Billy Tea** reports.

In the 21st century, the world has become interdependent; events occurring in Europe have affected the lives of people in Asia as demonstrated by the current Euro crisis. Asia's continuing growth even during this economic downturn, combined with its strategic importance in terms of geopolitics and security, has led to a global shift towards the region.

Mr Jan Senkyr, Representative of KAS in Malaysia, in his welcoming remarks, said the aim of the forum was to bring together experts, to share experiences, exchange views on security issues of common interest, discuss possibilities for cooperation and to find solutions. The dialogue, consisting of a closed door workshop and a public discussion forum, is a means of responding to the changes in the world order, where borders do not matter and where conflicts require a comprehensive approach at the global level. With globalization, security requires supra-regional cooperation; response to it is a cross-sectional task that includes the military, the police, the diplomatic service, and developmental aid organizations.

Traditionally, Germany has emphasized conflict prevention and peacekeeping operations, through the offices of the UN, Nato, and the EU. However, due to the globalized nature of modern conflict, it was only natural for Germany to build strong relations with Southeast Asian nations. In this context, the latter region plays an important role: it has strategic importance for international



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trade and is the home of vast biodiversity. It is also a melting pot of religion and culture, and is a dynamic centre for economic and financial development.

Malaysia meanwhile plays a significant role in the region; it participates in many traditional and non-traditional security issues that include disarmament, counter-terrorism, human trafficking, and climate change, among others. In addition, it promotes international peace, as an active member of the United Nations. Therefore, in order to deal with these security issues, it was a



From left: Klaus Naumann, Mohd Anwar bin Hj Mohd Nor and Abdul Majid Khan

logical step for Germany and Malaysia to come together to establish strong relations. This forum aims for a long and lasting relationship that can help the two nations get ahead in this fast-paced, globalized world and be able to better respond to current and future issues.

The first session, which saw presentations on the views of Germany and Malaysia on China's economic, diplomatic and military rise, was chaired by **Admiral Tan Sri Mohd Anwar bin Hj Mohd Nor (R)**, Chairman, Armed Forces Fund Board (LTAT) and former Chief of Armed Forces, Malaysia.

In introducing the session, Admiral Mohd Anwar discussed China's fast economic rise in the last 20 years. He provided a brief history of the South China Sea (SCS) conflict. The disputed SCS region is strategically located and holds vast amounts of natural resources, explaining the increase in tensions over the territory. Moreover, the tools put in place to manage the conflict have had little effect, partly due to the internal divide within Asean. Member states can be separated into two categories: firstly, not all Asean states are claimant states; secondly, some states have conflicting interests due to their close relationship with China.

General (R) Klaus Naumann discussed Germany's interest in the region and the roots of China's strategic interest. As a major economic world player, Germany has strong trade linkages with Southeast Asia. The sea line of communications (SLOC) that passes through the region is the second busiest in the world. As ninety per cent of Germany's trade is conducted by sea, it is paramount for Germany and the rest of the world to be assured of safety of passage for their goods. It therefore has strategic interest in peace and stability in the region. However, the situation in Asia has a 'Cold War' pattern: one in which a maritime power gives the impression of encircling and attacking a continental power. The US and its allies meanwhile, have neither the capabilities nor the intention to attack the Soviet Union.

Naumann said China does not understand maritime strategy and often misinterprets it as being offensive. Having achieved great economic growth in the last twenty years, China has become dependent on sea lines of communications for the transport of its resources and goods. Consequently, it has a strategic interest in protecting these vital sea routes. It has tried limiting its dependency by diversifying its sources of energy, establishing new trade routes, and protecting its maritime zone. It has also invested

in alternative sources of energy, built pipelines that connect Myanmar and China (so as to avoid the Malacca Strait), modernized its navy, and built an anti-ship denial capability.

China continues to promote good relations with Asean and African states in order to maintain steady resource acquisition, guarantee its outward resource strategy, and assure the safety of the transport of its goods. It does not have any 'land enemies' (countries with the capabilities to pose economic or military threats), and is therefore concentrating on tackling long-distance intimidation by maintaining nuclear deterrence as well as cyber and space operations.

China will also continue to develop its naval power projection and anti-ship denial capabilities to protect its regional interests. However, Naumann believes it is unlikely that China will embark on expansive strategic armament purchases, partly because of budget constraints and partly because it does not have the capability to project global power. China is also facing lower international demand for its exports partly due to the financial and Euro crises.

China's priorities therefore are to manage its internal problems so as to prevent instability. The incredible growth the nation has achieved over the last two decades has been at dramatic social and environmental costs. It currently requires a minimum of eight per cent GDP growth a year to stay afloat, and its one-child policy has led to the destruction of traditional family values as well as an aging society. China therefore is unlikely to become a global power that can challenge the US.

It will however exercise increasingly its global influence, wield its economic and financial power, and develop its nuclear, space and cyber capabilities. More importantly, it is unlikely that China will let the situation in the South China Sea escalate because a military conflict will see the involvement of the US which China does not wish for. For now, China is happy to keep the US

engaged in the region as a guarantor of Asian security and, due to its economic interdependence with the US, to maintain good relations with Washington.

China will not let US alliances with other regional powers like Japan, India, and Korea affect its foreign policies. However, it would be concerned if there was a Korean unification; the thought of having a 'democratic' Korea with nuclear capabilities at its doorstep would have an immense influence on its foreign policy. In such a case, Naumann said, it is likely that China will strive to consolidate its power, seek the cooperation of the United States as an equal partner, and protect its national interests. And the US can only take on this role in Asia by working alongside its traditional allies, which includes Germany and other European powers, and sharing the burden of the globalized world of the 21st century.

In this context, the European states have to coordinate their positions in order to help sustain the prominent role of the US in the region. This demands that members contribute to the stability of the Northern and Eurasian coastlines which have a direct correlation with the situation in Asia. European powers, then, have to participate in bringing peace to Russia, the Middle East, and Africa.

As Europe tries to manage its current economic crisis, it is essential that it collaborates with other countries and regions, especially Southeast Asia, the latter being an economic and political hub. He concluded that the fates of the US and Europe are tied together and that therefore they should cooperate in order to respond adequately to conflict in these modern times.

Datuk Abdul Majid Khan described China as a rising power that has shaped international politics, economics, and societies. Its geostrategic actions and behaviour are a reflection of its growth as a rising power and the international

community should welcome its rise. While China has successfully modernized through its open door policy and great advances have been made to improve the lives of the Chinese people, there are still numerous internal challenges. These include challenges over reforms, the leadership succession, and the management of internal dissent.

China's priority is to satisfy its internal needs before attending to regional or international issues. It is trying to pursue its own economic development, reduce poverty, and achieve international standards of living for its own people.

It is also important to mention that China's economic development could not have been possible without the support of the West, its economic model being based on the Western capitalist one, with Chinese characteristics. Although it appears as if China is critical of the West and the US, it actually admires the West for its technology, science, education, and its system of law and order. Today's modern Chinese send their children to Western universities and they have invested heavily in Western countries. China is therefore gradually integrating itself into the globalized world.

However, it seems that for the world, the priority is to 'contain' the emergence of a powerful and prosperous China. Many policy-makers and analysts have promoted the policy of containment of China, which has severely affected China's relations with other powers, especially the US. Majid Khan feels China's rise is only rightful and natural because of its rich history, large population, and vast economy. Moreover, its economic growth has helped reduce global poverty and has created new markets. More importantly, its development has not been on an offensive or confrontational basis. Over the years, China has gradually aligned itself with international standards. Also, there is no proof that its emergence will be a threat to the international community. It has never expressed a

wish to expand its political system. On the contrary, it has accepted other countries' different social-political systems.

There has been much criticism about China's lack of transparency, especially in its defence budget, leading to an increase in defence spending, especially on long-range naval capabilities, by Southeast Asian nations. In addition, the United States has decided to move three aircraft carriers and 60 per cent of its submarines to the Pacific Command. Majid Khan argues that China's increased military spending is to secure its own interests and is a reflection of its economic growth.

In order to promote positive force through growth and development, the world has no alternative but to deepen engagement with China

Although relations between Malaysia and China started off on the wrong foot, partly due to differences in ideology during the Cold War era, both today engage in strong economic and political exchanges. This, in turn, has contributed to better understanding and has increased the level of confidence between them. One cannot deny that China's economic rise has helped Malaysia and the rest of Asean. And, by giving China space, Asean has 'renewed' the interest of other regional powers in becoming involved in the area, which has allowed for a small country like Malaysia to diversify its relations and to promote its own national objectives.

The globalized and capitalist system of our societies means that China cannot be ignored. In order to promote positive force through growth and development, the world has no alternative but to deepen engagement with China. China's geostrategic positioning will be gradual and cautious. It will not be as dramatic as others have speculated.