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CHINA'S NEW STRATEGIC INITIATIVES

China's New Strategic Initiatives: Implications for Southeast Asia

by

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**CHINA'S NEW STRATEGIC INITIATIVES:
IMPLICATIONS FOR SOUTHEAST ASIA**

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The current leadership of China has presented the international community with a vision of its desired global and regional order through its new strategic initiatives, including the (1) One Road One Belt proposal for greater economic and people to people connectivity, (2) establishment of the Asian Infrastructure Investment Bank, (3) the “2+7” cooperation framework for China-Southeast Asia relations for the next decade, (4) the enunciation of a “dual track” approach and hopes of building “a community of common destiny” in relation to ASEAN and the South China Sea, (5) calls for a New Asian Security Concept, as well as (6) a “new type of major power relations”, and (7) active assertion and defense of its maritime claims.

In this brief presentation, I provide brief, preliminary and simplified analysis of what I perceive to be the driving forces and principal objectives of China, as well as questions about what the general implications may be for Southeast Asia.

(1) China envisions itself growing into a power with global reach because of its global economic interests.

With its current status as the world's biggest trading nation, the second largest and perhaps before too long the largest economy, and the most populous country on the planet, and possibly with eager anticipation of impending power shift when Asia reaches new prominence as the global center of economic and political power, China is not only determined to be a regional power but a global one, and not just a continental power but a maritime one.

Its One Belt, One Road initiative is part of this. From where it sits in East and Southeast Asia it looks west by land and by sea all the way to South and Central Asia, Europe, West Asia and Africa (but not entirely forgetting the South Pacific) to build financial, commercial, and people to people linkages. The analogy with the ancient silk road aptly invokes China's past as a major source and destination of economic and civilizational influences, which we are told was devoid of aspirations of territorial conquest and armed conflict.

Especially under the situation of a “new normal”, with slower economic growth and weak demand for its manufactures in the West, China's economic future will rely more on domestic consumption and opening up these new linkages. Among others, China needs new markets, sources of raw materials and energy, infrastructure construction contracts to absorb surplus labor and equipment now running in oversupply, and logistics hubs to seamlessly facilitate commerce.

This economic vision contains the justification for naval expansion and defense modernization, if only because this was the case with economic powers that in history came before it.

(2) To be a global power, China must have comprehensive attributes of power including capability, resources and the willingness to lead.

It is therefore time for China to pursue new technological breakthroughs, including major military advances, to ensure its pride of place among other great powers. No more biding one's time or hiding one's capacities as Deng Xiaoping cautioned; no more reluctance or shying away from opportunities to lead.

Power enhancement and power projection should serve their purposes, announcing that China has arrived, and others had better not get in the way. Thus China sends its navy to the Gulf of Aden for anti-piracy operations; acquires an aircraft carrier that it will likely build into a battle group, or three, or four; builds a nuclear submarine base in Hainan; and invests its scientific energies on ways to block US missile defense systems.

Playing a high diplomatic profile also sends the same message. The Shanghai Cooperation Organization (SCO), the BRICS formation, or the Conference on Interaction and Confidence Building Measures in Asia (CICA) under China's careful nurturing have all become platforms for enunciating China's alternative visions of world order.

(3) To be a great power, other great powers must acknowledge China as an equal.

China's proposal for a new type of major power relations is essentially a demand that other great powers treat it as an equal, respect its core interests, and avoid going on the path of conflict that many believe to be inevitable whenever systemic power transitions take place. Deep inside, carrying the collective memory of the hundred years of humiliation that their state keeps alive, the Chinese believe the United States, supported by its allies, will never agree to accord China equal status, let alone hand over global leadership reins to China if and when the time comes that China expects this. The difficulty lies in the fact that with its incredible success in the last 35 years and ambitious goals for 2049, China does seem to expect and demand it.

If China cannot be at least an equal in the global institutions already in place (the Bretton Woods system being a case) or if institutions are seen to deliberately exclude or target China for containment (TransPacific Partnership, US alliances), China will create its own – AIIB, BRICS New Development Bank, FTAAP, New Asian Security Concept, etc. that will try to exclude the US.

(4) To be a leader, one must have followers.

Getting the support of ASEAN is especially important. It is with ASEAN and the rest of northeast Asia that China can build a "community of common destiny".

More than any other group of countries, ASEAN 's proximity, economic dynamism, strategic location for China, and avowed neutrality in great power politics make it a desirable partner.

These are ten countries that share some common perspectives but otherwise do not have a common China policy. China is their major bilateral trading partner, a major source of aid and investments for a few, and historical and cultural interactions contribute to a complexity in ties that only became more pronounced as China rose in power. When it comes to the South China Sea territorial and maritime disputes, the resistance of a few to China's recent assertiveness has pushed the whole group to take the issue more seriously.

China's "2 plus 7 cooperation framework" emphasizes the need to build strategic trust and good neighborliness in the next decade of relations. Economic cooperation is assumed to be the key to strategic trust. In the South China Sea, China's more recent response to the issue of whether to resolve the issues bilaterally among claimants or multilaterally involving ASEAN is the proposal for *adual track approach* whereby countries agree to "relevant disputes being addressed by countries directly concerned through friendly consultations and negotiations and in a peaceful way" alongside "peace and stability in the South China Sea being jointly maintained by China and ASEAN countries."

(5) Followers must be persuaded and enticed. Leadership and power also mean being ready to provide public goods.

Soft power matters; public diplomacy matters. In international relations, China is learning the lesson that trade and investment ties alone do not guarantee long-term cooperation, nor bring respect or admiration.

The ambitious One Belt, One Road project ultimately offers not just funds for infrastructure connectivity projects, but proposes cooperation in scientific and technological research, and launching discussions on education, health, poverty reduction, biodiversity and so on. AIIB will only be the financing component of what is being touted as the new grand strategy of China under Xi Jinping. Moreover, the proposed approach is through policy coordination, partnerships, making use of the existing bilateral and multilateral mechanisms. Ambitious as the vision is, success depends much on the readiness of other countries to embrace and work hard on this.

Xi's New Asian Security Concept rehashes the 1996 proposals of Jiang Zemin advocating principles of comprehensive security, common security, cooperative security and adding sustainable security, because these resonate well with middle powers and multilateralists, as well as contradict the premises of military alliances.

(6) If persuasion fails, coercive diplomacy is always an option. Ultimately, being a power is about protecting and promoting your own interests.

China's vision is clear, and part of its realist assumptions is that, being a big power in its part of the world, it will not encounter much resistance from smaller states in its periphery. Even in instances where the pursuit of its economic, sovereignty and security goals bring it into conflict with other states, China believes it has the means to prevail. How China seems to have abandoned self-restraint and pushed hard in relation to its territorial and maritime disputes with Japan in the East China Sea and with the Philippines, Vietnam, and Malaysia in the South China Sea show that reputational costs are no longer given much weight.

Exchanges with some Chinese scholars and analysts also reveal a belief that, after all the screaming and kicking that may take place from those who have difficulty adjusting to a new environment where China will have become the dominant power, states will eventually get used to it. Countries care most about economic welfare, it is argued, and for as long as cooperation with China can offer material benefits, threat perceptions can be mitigated.

Implications for Southeast Asia

The assessments outlined above may be wrong, and because of some implications I even hope they are wrong in some respects. But if they are not wrong, does this vision that I deduced from China's new strategic initiatives converge with Southeast Asia's own concepts and preferences of regional order?

The idea of China playing a leading role in a new Asian hierarchical order, becoming a provider of public goods, balancing the influence of other great powers, being a hub of seamlessly interconnected economic and cultural activity, in themselves do not seem objectionable from the perspective of Southeast Asia. With few exceptions, Southeast Asian countries have lived with China under peaceful circumstances and mutually beneficial relationships for the most part and would like assurances that the future will be the same.

However, there are serious concerns and questions that arise as we look into the future, and I raise them here not rhetorically but sincerely in a search for clear answers.

As an aggrupation of middle and small powers, ASEAN has historically been driven to unite by a need for strategic autonomy, i.e. the desire to retain influence over their own destiny independent of machinations and interference by great powers, singly or collectively. Will a China-led Asian hierarchy allow such an outcome for ASEAN? Does China accept ASEAN neutrality or will it eventually increase pressure on ASEAN to choose China and exclude the United States?

How do China and some ASEAN countries, particularly the Philippines, Vietnam, but also Malaysia, Indonesia and Singapore, begin to build strategic trust when recent experience shows China belittling their legitimate interests and concerns and instead using coercive means to get its own way? Hasn't SEA itself been a main target of Chinese assertiveness?

Can China be a reliable provider of security and stability as a public good to the region if it itself is a key party in the territorial contentions that will be a likely cause of conflict, and currently makes little effort to diminish threat perceptions?

Will China's perceived attempts to build exclusivist multilateral arrangements in Asia, and similar moves by the United States, finally spell failure of and bring to an end ASEAN's longstanding efforts to build inclusivist regional cooperative arrangements?

Will the broader Asian security architecture envisioned by China not diminish the relevance of ASEAN itself and spell the end of ASEAN centrality?

Given the current security situation in the seas of East Asia, will China's continued military buildup not spur a full-blown regional arms race and turn a relatively peaceful and stable region into one with high risk of armed conflict?

Thank you for your time and attention.