



NEW TRENDS IN CHINESE FOREIGN POLICY

Event Report

28 November 2014

Institute of Defence
and Strategic Studies

Event Report

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This report summarises the proceedings of the conference as interpreted by the assigned rapporteur and editor of the RSIS' China Programme. Participants neither reviewed nor approved this report.

The conference adheres to a variation of the Chatham House Rule. Accordingly, beyond the paper presenters cited, no other attributions have been included in this conference report.

EXECUTIVE SUMMARY

On 28 November 2014, the S. Rajaratnam School of International Studies (RSIS) organised a conference on the theme of “New Trends in Chinese Foreign Policy”. China’s emergence as an increasingly important global stakeholder has become clearer following the leadership transition since the 18th National Congress of the Chinese Communist Party (CCP). Concurrently, China’s rise has also generated concerns amongst members of the international relations fraternity that the Asian giant may be moving away from keeping a low profile towards adopting an assertive stance in its foreign policy as evinced by its recent maritime behaviour.

The first panel addressed recent institutional developments within the Chinese political landscape, with a particular focus on the overhaul of both the civilian and military institutions that oversee China’s foreign policymaking. Under the 5th generation of leaders, considerable restructuring of the previous models under the Hu-Wen administration has been noted, with the formation of the National Security Commission (NSC) in November 2013 and the proliferation of Leading Small Groups (LSGs)—a host of which are personally led by Xi himself—having transformed the extant decision making polity on China’s foreign relations.

Panel Two focused on China’s important relations with the United States and Russia as well as the two other regional powers—Japan and India. In general, the presenters shared the opinion that China’s rise *vis-à-vis* the developmental trajectories of the countries concerned has led to greater complexities in their already intricate ties. Despite recent

geopolitical trends having been transformed by the changing security dynamics in the Asia Pacific since the U.S. rebalance; recent leadership transitions in both Japan and India; and the political turmoil in Ukraine; the participants nevertheless expressed optimism that China’s relations with those powers should remain stable.

The next two panels addressed trends in China’s regional policy in Asia, specifically looking at China’s ties with its near neighbours on the Korean peninsula, the Central Asian republics and Southeast Asia. These relations are particularly significant in view of the initiatives that have recently been brought to the fore by Beijing; these include the new Silk Road Economic Belt and the 21st Century Maritime Silk Road as well as the newly established Asian Infrastructure Investment Bank (AIIB). In light of what has been described as a marked shift in Chinese behaviour over maritime claims, China’s strategic thinking with regard to its core national interests were also analysed and shown to reveal coherence and pattern in its activism.

The final panel evaluated the challenges confronting Chinese leaders in view of their country’s growing international footprint in global governance as Beijing grows into its role as an economic powerhouse and a significant military power. Apart from examining the background behind China’s acceptance (and rejection) of global norms within international institutions, the session also shed light on the increasing significance of information and communications technology (ICT) and cybersecurity on China’s domestic political stability, economic development and its foreign relations.

OPENING REMARKS



Tan See Seng (right) and Li Mingjiang

Tan See Seng, together with the conference organiser, **Li Mingjiang**, welcomed the presenters and other participants to the conference and noted that on account of China's unquestionable influence in the international arena, these are therefore interesting times for members of the international relations fraternity. Tan further remarked that there are those who have expressed confidence in China's potential in becoming a responsible global stakeholder, while others have at the same time, shared their concerns that Beijing may grow to become too dominant. At the same time, as China's international profile and interests continue to grow, Chinese leaders nevertheless need to balance their country's international priorities with domestic challenges such as official corruption and environmental degradation.

Still, there is common acknowledgement that China has been able to assert itself more vigorously in its foreign relations since President Xi Jinping ascended to the top of the Chinese leadership. Concomitant with its rising status, Beijing has enunciated to Washington its version of a new type of major-power relations that was proposed by Xi Jinping during his Sunnylands meeting with

U.S. President Barack Obama. Regionally, China has also proactively sought to foster cooperation and manage differences with its neighbours in its immediate region. It is particularly noteworthy that regional economic integration has continued apace even as China continues to be embroiled in territorial and maritime disputes with other Asian powers as well as Southeast Asian claimant states that have contested Beijing's 'nine-dash lines'.

Tan further noted that China's proposals for a Silk Road Economic Belt and a 21st Century Maritime Silk Road also reveals its resolve to make further inroads with regard to extending its influence over the regional and global architecture. Nevertheless, changes and continuities in international geopolitics also demands that Beijing continually reassesses and recalibrates its strategic ties with countries it collaborates with as it continues to grow into its role as a global economic player and a regional military power. Sharing with the participants that he had only recently welcomed a Chinese consortium during a Track 2 meeting, Tan concluded by making the observation that Beijing has thus far spared no efforts in trying to portray itself as a responsible stakeholder that promotes economic cooperation and political stability in the region and beyond.

SESSION I: DOMESTIC CONTEXT—NEW LEADERSHIP AND DECISION MAKING

1.1 Foreign Policymaking Restructuring: Actors, Processes, and Policy Implications



Zhou Qi (middle)

Zhou Qi's presentation highlighted that there have not been significant changes to the policymaking institutions within the top echelon of the Chinese Communist Party (CCP) and that the foreign policy actors such as the State Council and its various ministries, as well as Chinese military organs continue to take their orders from the Politburo Standing Committee (PSC). Nevertheless, one observable development since the 18th Party Congress has been the proliferation of leading small groups (LSGs) that have taken over some of the decision-making powers from institutionalised bodies such as the Chinese Ministry of Foreign Affairs (FMPRC). Unlike the latter, the LSGs demonstrate flexibility and are useful in addressing situational problems.

Zhou also shared the observation that although members of the PSC meet on a weekly basis, only a small number of them are responsible for formulating foreign policy. While the State Council has continued to assume only a marginal role in the management of the Chinese foreign affairs, she notes that the CCP Central Committee has gained prominence, especially in view of its role in the establishment of the

new National Security Commission (NSC) headed by Xi Jinping and supported by Li Keqiang and Zhang Dejiang. Zhou pointed out that the NSC, which is not affiliated to the State Council, plays an important role in managing foreign policy, but also carries an internal dimension with regard to addressing the issues of terrorism, separatism and extremism.

Despite the attempts at consolidating control of the different policymaking actors, Zhou also highlighted that coordination between the different party organs remain poor. On this issue, she cited China's unilateral establishment of the Air Defence Identification Zone (ADIZ) in 2013 and the setting up of the HSY-981 oilrig in maritime Southeast Asia by the China National Offshore Oil Corporation (CNOOC) as examples. She further added that the number of non-state actors involved in foreign policymaking in China has expanded due to the mushrooming of think tanks. While the number of local think tanks has risen, foreign institutions such as the Brookings Institution and the Carnegie Endowment have also established themselves on Chinese soil.

1.2 The PLA Reforms and the New Dynamics in Civil-Military Relations



You Ji (middle)

You Ji, in his illustration of personnel changes within the Central Military Commission (CMC), presented a biographical sketch of People's Liberation Army (PLA) leaders who have since joined Xi Jinping at the apex of China's military leadership. Commenting on the generals who variously head the Ministry of National Defence, the four general departments at PLA headquarters, the PLA Navy, the PLA Air Force and the Second Artillery Corps, You pointed out that the current team was balanced in terms of the members' affiliation with the various services and military regions. Significantly, the CMC also appears to have fully thrown its support behind Xi, their Commander-in-Chief.

Especially at a time of great political uncertainty in view of the recent anti-corruption campaign, You postulated that Xi has derived his primary power base from the PLA. Unlike his predecessor, he has adopted a hands-on—but balanced—approach even as he grants the military a certain level of autonomy in the running of its daily affairs. In return, the PLA has unreservedly pledged its allegiance to their new leader and supported him

in his fight against party corruption. Similarly, the PLA's profile in Chinese politics has also been raised on account of the leadership's decision to sharpen its combat readiness to put it into war footing. In doing so, however, You pointed out there is a risk that these manoeuvres may result in military interventionism in party politics.

While the team so far appears united, You also explained that it was nevertheless a team in transition. Furthermore, it was revealed that some of the personnel choices still betray the overwhelming emphasis attached to the army personnel over the other services. In light of the corruption scandal that has involved a former CMC Vice-Chairman, You highlighted that some of the current leaders also bear a negative legacy from their predecessors. Despite the party's lack of organisational control over the PLA, he noted that the new Commander-in-Chief has tightened the CCP's oversight of the PLA by introducing wide-ranging institutional changes such as strengthening military discipline inspection and placing the auditing of the military budget under the direct supervision of the CMC.

Open Discussion

The discussion began with a question by Gregory J. Moore on the role of foreign think tanks in China. Zhou Qi responded by contrasting the work of the Ford Foundation with that of the Brookings Institution and noted that the former is involved in civil society activities whereas the latter carries out the same work as its offices in the U.S. Zhou also expressed the view that these foreign think tanks, however prominent they may be in their countries of origin, nevertheless have a limited impact on China's foreign policymaking. On how the apparently diminished role of those think tanks with links to the FMPRC would be reflected in China's foreign policy, Zhou felt that organisations such as the China Institute of International Studies (CIIS), the Shanghai Institute of International Studies (SIIS) and the China Institutes of Contemporary International Relations (CICIR) may have both lost some influence due to the FMPRC being marginalised. Regarding the question of how influential think tanks actually are, she cited the example of Chongyang Research Institute but noted that the answer ultimately depends on whether these institutions have access to the top Chinese leaders.

The dialogue next focused on the relatively stronger position Xi Jinping has arrived at *vis-à-vis* Jiang Zemin and Hu Jintao when the latter two were CMC chairmen. You Ji pointed out that unlike his immediate predecessor, Xi appears to be more comfortable in engaging his generals and thus does not unduly have to depend on his immediate subordinates to run the PLA as opposed to Hu's reliance on Xu Caihou and Guo Boxiong. On the possibility of Xi accumulating too much power, You pointed out that it remains to be seen whether his attempts heretofore can be characterised as "power centralisation as a *means*" or "power centralisation as an *end*". Regarding the PLA as a body within the nexus of China's foreign policymaking apparatus, Li Mingjiang questioned the apparent lack of progress in coordinating the various organs. You Ji replied that the NSC is still a work in progress whereas Zhou Qi indicated that it remains to be seen whether the new body does function at all. Finally, on whether the General Office of the Central Committee has the necessary time, effort and expertise to enact foreign policy, it was revealed that staff members have been seconded from the policy community to work in the General Office.

SESSION II: NEW TYPE OF MAJOR-POWER RELATIONS?

2.1 New Dynamics in China-U.S. Security Relations in the Asia Pacific



Gregory J. Moore (middle)

Gregory J. Moore examined the various aspects of security dynamics in the Asia Pacific region and began his assessment of Sino-U.S. relations by indicating that there is no ready solution to the strategic trust deficit between the two powers. Citing the lack of mutual understanding on what each other's strategy in the Asian region entails, he pointed to the strategic ambiguity exercised by both parties such as American commitments to its allies and China's increasing assertiveness in its maritime disputes as being responsible for producing attitudes and actions that contribute to greater distrust. Further, Moore also shared that he found the offensive nature of the U.S. Air-Sea Battle (ASB) concept particularly unsettling.

Moore then noted of China's recent attempts at building alternative and parallel international institution-making policies such as the establishment of the AIIB and the New Development Bank (NDB) with other BRICS nations including itself, Brazil, Russia, India and South Africa; and its proposal for a Regional Comprehensive Economic Partnership (RCEP) in opposition to the U.S.' Trans-Pacific Partnership (TPP); as adding on to already strained

bilateral ties over cybersecurity; the democracy movement in Hong Kong; and the apparent lack of China-U.S. cooperation in outer space. At this point in time, he felt the U.S. should manage its relations with China better in view of the trajectory of China-Russia ties amidst Russia's worsening relations with the West.

Moore concluded that China would do well to de-escalate its activism in the East China Sea (ECS) and South China Sea (SCS), and remind itself that its present economic prosperity has in fact been underwritten by American presence in the region since the end of WWII. Similarly, the U.S. should be more forthcoming in delineating its own bottom line for intervening in regional maritime disputes so as to avert Chinese misreading of its resolve and potential involvement. It was further put forward that Washington should not categorically oppose China's recent institution building efforts if they turn out to be positive in nature and help China become more accountable to international norms. The two should also engage each other in issues such as cybersecurity, as well as the ASB.

2.2 China-Russia Relations: New Strategic Realignments

Arthur Guschin provided an overview of the evolution of bilateral ties between the two nations amidst the current diplomatic impasse in the Ukraine. He noted how prior to the Crimean crisis, Russia was not willing to open up its resource assets to China due to concerns over Chinese intentions in the former's Far East territories, but has since changed its stance by turning to the Asian giant to boost its resource exports on account of worsening international market conditions due to economic sanctions imposed by the U.S. and the EU. China-Russian economic ties also appear to have deepened with the ascension of Xi Jinping, as demonstrated by greater Chinese involvement in Russia's oil and gas industries as well as financial markets.

Citing the previous failed bids by China National Petroleum Corporation (CNPC) to acquire Slavneft due to objection by the Russian parliament, Guschin noted how Rosneft has since 2013 begun to award contracts to both CNPC and China Petroleum as well as Chemical Corporation (Sinopec) in return for substantial long-term Chinese investment income.

He further highlighted that the change in Moscow's policy has since allowed Beijing to diversify its energy supply and reduced Chinese dependence on the Straits of Malacca as a key oil supply route. The current geopolitical situation in Europe has also meant that China is now able to invest in Russian firms without having to face competition from European enterprises.

Despite the fact that Sino-Russian cooperation has already seen much growth in the past year, there remains much potential for cooperation. In conclusion, Guschin is hopeful of the upsurge in the use of Chinese-Russian currency swaps in mutual trade fixtures; the development of the Russian Far East with the provinces in China's northeastern regions; and greater military cooperation between the Russian armed forces and the PLA against terrorism, extremism and separatism. Apart from increased sales of Russian military technologies, Guschin also added that he expected to see the alignment between Russian and Chinese policies towards the U.S.

2.3 China-Japan Relations



Haruko Satoh (middle)

Haruko Satoh began her examination of China-Japan relations by pointing out that both countries could have done better in managing their ties heretofore. Any such an opportunity for the two Asian powers to pool together their economic resources in fostering co-prosperity in the region, unfortunately, has been squandered. In Satoh's opinion, the two neighbours remain at different phases of nation building: Japan has undergone many political transitions whereas China is still at the stage of creating a nation-state. Pointing to the latter's ongoing attempts at identity consolidation and territorial expansionism; she noted that China is thus more sovereignty-conscious than Japan.

Providing an overview of Japan's post-war development, Satoh noted that while Japan has been reshaped from a 'military state' to a 'pacifist state' since the end of the Pacific War, Japan's post-war construction has continued to be affected by constraints placed upon it by Article 9 of the 1947 Constitution; this has had profound security

implications for Japan due to its longstanding alliance with the U.S. Further, Japan's foreign policy is also hamstrung by the handling of its wartime past by its conservative politicians over the last half century. Taken together with the Senkaku-Diaoyu disputes, these continue to prevent China and Japan from developing good ties.

While China's brand of patriotism may appear to have reignited latent nationalism in Japan, Satoh noted that the absence of cooperative ties and mutual trust between the two has even led to some members within Japanese policymaking communities to envisage war with China as a possible development. Similarly, the situation is not helped by Prime Minister Shinzo Abe's decision to reinvigorate Japan's security apparatus, which has also fuelled tensions further in Northeast Asia. Nevertheless, Satoh expressed some optimism that the recent meeting between Abe and Xi Jinping at the Asia Pacific Economic Cooperation (APEC) summit may yet mark a new chapter in relations.

2.4 China-India Relations: A New Turning Point?

Rajeswari Pillai Rajagopalan noted the timeliness of assessing relations between the two Asian giants on account of the respective leadership transitions in China and India. While she observed that bilateral relations have stabilised in general; border issues, in particular the Line of Actual Control (LAC) and the huge tracts of territory under dispute, continue to hamper ties. The weight of history and nationalist sentiments further compound matters and make it difficult for the two to arrive at a mutually acceptable settlement. In the economic realm as well, Sino-Indian trade has fluctuated due to disagreements over what each perceives as the restriction of access to the other's market.

On the security front, Rajagopalan noted that the relative strength of the Chinese economy has translated into increases in the PLA's war fighting capability due to improvements in research and development. It is unsurprising that Prime Minister Narendra Modi has expressed interest in building the capacity of the Indian armed forces. Rajagopalan

then gave an overview of the geopolitical situation and pointed out that there remain concerns amongst Indians on the possibility of a convergence in agenda between China and Pakistan. Recent regional security dynamics involving Australia and Japan's recent engagement of India also complicate developments further.

On the notion that China has become more assertive in its foreign policy since Xi's promotion in the CMC, Rajagopalan noted that despite that Beijing appears to be striving for closer economic ties with India, it is at the same time strengthening its security arrangements against New Delhi. In conclusion, she referred to the recent diplomatic overtures by the two leaders to court countries in the Indo-Pacific area as evidence of the growing strategic rivalry between China and India for influence in the region. In her opinion, Narendra Modi appears undaunted by partaking of the 'balance-of-power' game against India's larger neighbour.

Open Discussion

It was generally agreed that despite the fluctuations in their relations, China-U.S. ties have basically remained stable. You Ji noted that the U.S. policy on China has put pressure on Beijing by restricting the latter's security space. While China's hitherto non-use of force, despite its firm position on sovereignty issues, may serve to defuse any possible tensions, Masaru Tamamoto shared his belief that the U.S.' presence in Asia is expected to remain in the longer term as U.S.' foreign policy since the Spanish-American War has always been to prevent any single country from dominating the East Asian region. Regardless, the U.S. and China do share vital interests and it is mutually beneficial for them to foster good relations.

You and Tamamoto further provided an overview of China's policies in Northeast Asia, and respectively noted that in the post-Crimea era, Moscow now has less leeway to reset its China policy and that the sale of Russian energy resources is solely driven by economic interests. On Japan, there was consensus that the new 4-point *communiqué* may help to rehabilitate China-Japan ties despite the nationalist

slant of Shinzo Abe's Liberal Democratic Party and the mishandling of China-Japan relations by the former ruling Democratic Party of Japan. Satoh expressed her concerns that Japan seems to be shifting from 'post-modernism' and back towards a 'modern' state and noted that Japan does not yet appear to have a coherent policy to counter China's rise.

In response to the assertion that the Sino-Indian border issue is manageable—owing to the fact that manoeuvres by the Chinese and Indian armed forces have occurred within a wide 'band' as opposed to a narrow 'line'—Rajagopalan concurred on the lack of clarity regarding the demarcation of the LAC, but further emphasised the need for the border issue to be resolved before any progress in Sino-Indian ties can be achieved. In summary, it was put forward to the participants that the major powers in the region should pool together their resources to strengthen the existing Asian economic architecture rather than seek to outdo one another in the security realm. At the same time, human security issues posed by the fast pace of China's development were also briefly explored.

SESSION III: CHINA'S NEW ASIAN REGIONAL POLICY (1)

3.1 China-Korea Relations: Strategic Recalibration?



Lee Dongmin (left)

Lee Dongmin discussed China's burgeoning economic influence over South Korea and relations between the two Koreas, China and the U.S.. Overall, the Korean peninsula appears to be edging closer towards China, and China's relations with South Korea have dramatically improved with the recent ascensions of Xi Jinping and Park Geun-hye. Owing to perceptions within South Korea that China has grander strategic designs on it other than closer economic integration, Park's administration has thus sought to secure security assurances with its larger neighbour. On the other hand, China has placed more focus on building economic ties. Some critical issues that have emerged are:

- A South Korea-China Free Trade Agreement (FTA) by 2014
- A *Won-Renminbi* direct exchange mechanism
- Granting China's *Renminbi* Qualified Foreign Institutional Investor Programme (RQFII) to South Korea
- China's invitation to South Korea to join the AIIB
- Joint study on establishing economic zones in *Saemangeum* and around the *Greater Tumen River*

On the recently concluded FTA, Lee argued that South Koreans believe that it would provide a platform for the realisation of the Free Trade Agreement of the Asia-Pacific (FTAAP) China has championed. Notwithstanding that, other Chinese proposals on the other hand have not been as well-received. Accordingly, it was revealed that President Park—possibly under pressure from Washington—had therefore declined the offer by Beijing to join the AIIB. Although Seoul is actively studying the feasibility of the AIIB, Lee added that conflicts of interest exist in China's currency initiatives as South Korea is also in the process of internationalising its foreign reserves.

3.2 China and the South China Sea Disputes

Lim Kheng Swe's presentation on China's presence in maritime Southeast Asia covered the baselines in Beijing's policymaking; a description of recent developments that have triggered and intensified Chinese behaviour in the South China Sea (SCS); and suggestions on how a united Association of Southeast Asian Nations (ASEAN) and their collective engagement with Beijing can ameliorate tensions. While stating that an increasingly strident form of Chinese nationalism and the CCP leadership transition have added to tensions, Lim nonetheless noted that Beijing's policy on the following has remained unchanged:

- Regarding the SCS as a part of China's territory even before the CCP government rose to power
- Insisting on resolving sovereignty issues through bilateral mechanisms as opposed to multilaterally

- Prioritising its positive economic relations with ASEAN members states regardless of SCS disputes
- Refraining from deploying vessels from its PLA Navy (PLAN) in asserting maritime claims

On the changes, Lim explained that increasing Chinese maritime assertiveness and the harsh rhetoric that has become prevalent in China's media outlets could be a possible spin-off from the Obama administration's rebalance to Asia and the shift in regional economic power dynamics in Beijing's favour. Regarding the first point, he noted that reinvigorated US presence appears to have emboldened regional actors. On the latter, Lim added that China's better integration within the global economy means that Beijing now sees less incentive to be conciliatory on issues of territorial integrity.

Open Discussion



With regard to how other Northeast Asian states have factored in the shift in China-South Korea relations, Lee Dongmin suggested that North Korea had indeed brought the U.S. and China closer previously, although the current post-Cold War era does present new dynamics. Nevertheless, in the event of Pyongyang's collapse, there are concerns over the situation of two nuclear facilities situated 30 kilometres away from Chinese borders and the influx of refugees. Regarding Japan, Lee contrasted Seoul's improving ties with Beijing with Park Geun-hye's antagonistic relations with Japan's leader. Still, while Seoul and Beijing appear to work well, South Korea remains concerned over its growing trade interdependence with China, and would also like the latter to harmonise its perspectives with its own regarding Korean reunification.

In response to Ralf Emmers' question on whether China's policies in the ECS and SCS differ, Lim Kheng Swe pointed to the more prominent role of Chinese nationalism in the former. Next, Li Mingjiang noted the comprehensive nature of Lim's analysis but suggested that China's domestic context and the role of the Chinese military have also played a part in raising temperatures in the SCS. Regarding the latter, Li noted how PLAN vessels have been deployed in close proximity to non-military ships. He also added that the pulling factor of Vietnam and the Philippines is also important apart from Washington's rebalancing to Asia. Thus, Chinese assertiveness may have already become the 'new normal'. Concurring with him, Lim added that the map of China with the 'nine-dash lines' over the SCS has entered Chinese consciousness.

SESSION IV: CHINA'S NEW ASIAN REGIONAL POLICY (2)

4.1 China's Asia Strategy: Flexible Assertiveness?

Hoo Tiang Boon opened his presentation by describing the discussion on China's assertiveness as a contested concept since there is little literature on what constitutes as 'assertiveness'. To compound things further, he added that any such perceptions also encompass a degree of subjectivity and cannot be objectively addressed. In Hoo's opinion, however, he shared his observation that there was a pattern and coherency in the mixed signals sent out by Beijing, which he terms as 'flexible assertiveness'. This would entail a two-pronged strategy that combines firstly, a tougher and more uncompromisingly approach in the areas of China's core interests; and secondly, a more flexible and beneficent approach on negotiable issues that are less crucial.

Hoo further described China's core interests as those national interests that can never be 'compromised or traded' and that it would be willing to resort to force. Citing the speeches of Xi Jinping and former Chinese State Councillor Dai Bingguo, Hoo noted that while some of Beijing's positions on its core interests require clarification, these interests basically relate

to maintaining its national sovereignty and territorial integrity. He then added that Taiwan, Tibet and Xinjiang have all fallen within the locus at one point or another while those maritime territories China and other countries have disputed over are less clear. On this, Hoo highlighted that the unofficial status of the ECS and SCS may be due to strategic ambiguity or a matter of its tacit core interests.

Hoo concluded that China's flexibility in asserting its national interests reveals that it has been fine-tuning its regional policy in order to make it more sophisticated and defter in response to what it views as a more challenging environment in the wake of U.S.' rebalance to Asia. Such an approach does also appear to have won it some measure of success in its management of the Taiwan issue. In elucidating his theory, Hoo expressed optimism that the current debate on Chinese assertiveness will be better understood under the lenses of China's flexible assertiveness, and by taking into consideration those matters that fall under its core national interests.

4.2 China and Central Asia



Aidar Amrebayev (middle)

In accordance with China's "Go West" strategy and its more recent enunciation of the Silk Road Economic Belt, **Aidar Amrebayev** noted that Beijing's proposals for strengthening the extant transport and logistics infrastructure in Central Asia serves as an important element in sustaining its own economic trajectory. Similarly, the abundance of energy resources and mineral deposits in some of the Central Asian states are of interest to Chinese leaders in diversifying their economic relations. In return, there is also the promise that Central Asia can gain access to China's markets. As such, it would appear that Beijing and those regions to its western periphery share trade complementarities.

Overall, Amrebayev highlighted that China would like to see the region achieve political and economic stability in view of the potential threats posed by what the Central Asian republics, China and Russia have termed the "Three Evils"—terrorism, separatism and religious extremism. However, he also noted that China's rise might have already posed a security

dilemma for Central Asia due to the region's status as a contested space between Moscow, the Islamic world and the West. While acknowledging that Beijing currently plays a stabilising role in Central Asia, Amrebayev nevertheless reminded the participants that the situation might yet change should China gain even greater diplomatic clout in the region.

Amrebayev concluded that relations between Beijing and the Central Asian republics are of a pragmatic nature, and listed the following as key drivers. From the perspective of Central Asia, their rich natural resource endowments and national desire to receive infrastructural investments to boost their own fledgling economies means that Chinese investments will always be welcomed. From Beijing's point of view, it will be beneficial that the region prospers in order to limit the possible fallout of terrorist activities crossing into Chinese provinces. On the Silk Road project, he further speculated that China's soft power is expected to grow due to the expansion of Chinese cultural space.

4.3 The “One Road, One Belt” Proposal: What Does It Mean and What Are the Implications for Asia?

Han Feng started his presentation on the Silk Road Economic Belt and 21st Century Maritime Silk Road—collectively coined the “One Road, One Belt” initiative by Chinese local media—by highlighting to the participants that these are not novel ideas since other powers have discussed them since the 1800s. However, the fact that China’s top leaders have recently broached the subject means that the projects are significant enough to warrant the world’s attention. Han observed that the proposed “One Road, One Belt” is a significant development in Chinese grand strategy due to China’s rising status *vis-à-vis* the heightening mistrust between Beijing and the West. He then went on to elaborate on the different aspects of the Silk Road proposals:

- Policy coordination to activate joint regional cooperation in security; economic areas; environmental management; as well as technical and scientific programmes
- Facilitating regional infrastructure building and transport connectivity
- Trade facilitation through eliminating trade barriers and the reduction of trading and investment costs to better utilise an enlarged common market

- Cooperation on currency swaps with the aim of lowering transaction costs and financial risks while improving their economic competition
- Promoting people-to-people interactions as well as socio-cultural exchanges to deepen inter-state relations by eliciting support and understanding from non-state elements from the different countries

According to Han, since the Silk Road proposals have been incorporated into Beijing’s national strategy at the 3rd Plenary Session of the 18th Party Congress, this further reflects their importance alongside China’s other foreign policy initiatives in the past. In his opinion, “One Road, One Belt” is a timely development in view of Beijing’s current economic clout, which has generated unease amongst members of the developed world. As such, Han believed that the incorporation of the values of “friendship” and “equality” within the open and voluntary soft institutional framework of the Silk Road projects will help China boost its soft power while granting it greater leeway to pursue its own version of regional governance and trade liberalisation with countries of the Global South.

Open Discussion



It was generally agreed among the participants that Hoo Tiang Boon's concept of 'flexible assertiveness' is a useful tool in understanding new trends in Chinese foreign policy. Responding to Irene Chan's query as to whether Beijing's foreign policy is of a 'divide-and-conquer' nature, Hoo highlighted that it is not the case. He went to explain that China has not been doing so as evinced by the fact that there are indeed a good number of countries on good terms with both Beijing and Washington. While concurring with the notion that any 'Chinese assertiveness' narrative was not helpful in understanding China's strategic intentions, the participants also expressed interest in determining whether this marks Beijing's departure from keeping a low profile towards striving for achievements on the global stage.

Explicating on "One Road, One Belt" further, Han Feng explained that Beijing could succeed in convincing the other SCS claimant states to embark on the programme in view of Premier Li Keqiang's "2+7 cooperation framework" announced at the 16th ASEAN-China Summit that aims at striking a balance between security and economic relations. Towards that end, Han added that China could forge

consensus with ASEAN nations via 'the ASEAN way'. On a related note, Li Mingjiang inquired about how the Central Asian republics have responded to the Silk Road Economic Belt. In his reply, Aidar Amrebayev noted that the more political stable states—Kazakhstan and Turkmenistan—have been more receptive of the Chinese proposals to invest in the development of their local industries.

Regarding China's foreign relations with the respective states in the Central Asian region, Amrebayev noted that, due to the respective concerns of the latter states, different areas of focus are expected to be envisaged in Beijing's ties with the different Central Asian countries. Citing the example of Astana's relations with Beijing, he pointed out that while Kazakhstan has been enjoying good cooperative ties with China, Sino-Kazakh relations have tended towards a utilitarian nature; whereas Russia-Kazakhstan ties in contrast have been friendlier. Adding that his country is currently facing challenges in balancing its relations with China and other major powers, Amrebayev suggested that Kazakhstan should therefore consider coordinating its policies with the other Central Asian states.

SESSION V: CHINA AND GLOBAL CHALLENGES

5.1 China and Global Governance

In her presentation, **Wu Fengshi** provided an overview of Beijing's participation in global governance and multilateral institutions. Pointing out that the world is operating under international 'soft law' with weak enforcement, and that various disjunct international establishments share overlapping interests, she highlighted that these have thus led to conflicting governing principles. During the same period, China's rise has also meant that it has in recent years presented some ambitious plans for multilateral cooperation in development such as its \$40 billion Silk Road Fund that has been seen in some quarters as a "Chinese Marshall Plan". In so doing, China may have potentially also set new norms on how to run the global economy and development financing.

Wu pointed out that as China became increasingly integrated within the international environment since its domestic economic reforms of the late 1970s, it was observed that it began to actively seek membership within existing multilateral platforms such as APEC and ASEAN. However, she also noted that, concomitant with Beijing's burgeoning economic power and rising diplomatic influence, it has since

also formed both regional and global governance mechanisms of its own such as the Shanghai Cooperation Organisation (SCO); the Forum on China-Africa Cooperation (FOCAC); as well as set up its very own lending institution under the auspices of the BRICS group. As of 2013, China also became a permanent observer in the Arctic Council.

Referring to China's role within the United Nations (UN), Wu highlighted that apart from trade, human rights and international development, Beijing has largely complied with extant global norms. Similarly, Chinese participation in global resource governance has also been noted as uneven as evinced from its active participation in the UN Forestry Forum but absence from the UN Water Convention. She concluded that China's status as an emerging power means that it will be more willing to support a regime only when its outside options are relatively poor. Moreover, Chinese political culture also predisposes Beijing's ambivalence and distrust towards global governance. On occasions when China does make its own norms though, Wu stated that there might be a 'break in' period of passive norm compliance prior to that.

5.2 China and Cybersecurity



Caitriona H. Heini (first from left)

Caitriona H. Heini began her presentation by acknowledging the important role of information and communications technologies (ICT) and cybersecurity in the different aspects of China's development—perpetuating the CCP's one-party rule; sustaining the country's economic growth; maintaining internal security; and managing its foreign relations. With this in mind, Heini noted that it is unsurprising therefore that the various party organs and stakeholders have begun to coordinate their policies. In Heini's opinion, this was a positive development in China, especially in light of recent revelations regarding the espionage activities of the US National Security Agency.

Indeed, Beijing's management of ICT has become more systematised, so much so that the Chinese State Council was restructured some years ago to include a Ministry of Industry and Information Technology after the National People's Congress in 2008. In the Chinese military as well, the PLA's important initiative to upgrade its war-fighting capabilities—dubbed

the Revolution in Military Affairs (RMA)—similarly incorporates a cybersecurity element. In point of fact, the high degree of importance accorded to the subject by the Chinese military leadership can be gleaned from Xi Jinping's addresses to the CMC as well as China's Defence White Papers.

Heini concluded that China's leaders have been able to appreciate that geopolitical uncertainties have made managing their country even more challenging under the age of information technology. Such would explain why Xi himself has been presiding over a new working group on cybersecurity and information security since February this year. As witnessed during Xi's time in office, Beijing and Washington have had high-profile flare-ups over cyberattacks. While the domestic reasons behind Beijing's determination to strengthen its capabilities are obvious, Heini added that China also does realise the importance of establishing mechanisms to address security issues with other countries.

Open Discussion

In her assessment of China's selective behaviour in global governance, Zhou Qi expressed the view that despite the fact that Beijing's options have been guided by certain principles, its decisions are not determined by itself in reality. As an example, she related how the former Chinese Premier Wen Jiabao had criticised the members of his staff at the 2009 Copenhagen Climate Summit for their lack of proactiveness in policy formulation. At the same time, Zhou noted that Beijing's perspective on what constitutes as its 'right to development' may also be interpreted differently by other countries. Accordingly, climate change has been a new challenge to Chinese leaders and they are therefore not used to dealing with the issue. However, they no longer appear to view their country's potential cooperation with the US on climate issues as an American conspiracy. Concurring with Zhou, Wu Fengshi concluded that regardless of the areas in which China can contribute positively to global governance, Beijing would nevertheless need to conceptualise normative principles that appeal to the world.

Regarding the even newer phenomena of ICT and information security, it was highlighted to the participants that Beijing's overriding concern on the management of these new technologies is how the Internet can be used without leading to political challenges and social instability. Acknowledging that the Snowden revelations have generated greater local interest in cybersecurity within China, Caitriona Helena Heintl pointed out that Chinese leaders' responses have predominantly been finger-pointing exercises directed in Washington's direction. Heintl reiterated the importance of establishing formal mechanisms on managing cybersecurity disputes between the two powers. In conclusion, the participants concurred that the issue of information technology has undoubtedly gained prominence in the Chinese political landscape. Some of them also expressed the view that Beijing could do more in observing intellectual property rights as that will be in the interest of the country and its people.

CLOSING REMARKS



Hoo Tiang Boon (middle)

Hoo Tiang Boon expressed his gratitude to the conference speakers and participants for sharing their knowledge and insights regarding the key development in China's foreign relations as well as for examining the strategies adopted by Beijing and other key players in the region. Hoo made the observation that China's foreign policy in the past two years has undergone considerable transformation possibly on account of the political

pedigree of Xi Jinping and other leaders at the apex of China's one-party state. Furthermore, while the new leadership has generally been observed to keep to Deng Xiaoping's dictum for China to maintain a low profile and avoid international entanglements, Beijing has nevertheless proactively recalibrated its foreign policy stance in a sophisticated manner that has led to new trends in the international arena.

PROGRAMME

28 November 2014, Friday

0830-0900	Registration	1055	China-Russia Relations: New Strategic Realignments Mr Arthur Guschin <i>S. Rajaratnam School of International Studies (RSIS) Singapore</i>
Opening Remarks			
0900-0910	Dr Tan See Seng <i>S. Rajaratnam School of International Studies (RSIS) Singapore</i>	1110	China-Japan Relations Dr Haruko Satoh <i>Osaka University, Japan</i>
Session I: Domestic Context: New Leadership and Decision Making			
	Chair: Dr Li Mingjiang <i>S. Rajaratnam School of International Studies (RSIS) Singapore</i>	1125	China-India Relations: A New Turning Point? Dr Rajeswari Pillai Rajagopalan <i>Observer Research Foundation, India</i>
0910	Foreign Policymaking Restructuring: Actors, Processes, and Policy Implications Dr Zhou Qi <i>Chinese Academy of Social Sciences, China</i>	1140	<i>Discussants:</i> Dr You Ji <i>University of New South Wales, Australia</i> Dr Masaru Tamamoto <i>Meiji Gakuin University, Japan</i>
0925	The PLA Reforms and New Dynamics in Civil-Military Relations Dr You Ji <i>University of New South Wales, Australia</i>	1155	Open Discussion
0940	Discussant: Dr Gregory J. Moore <i>Zhejiang University, China</i>	1255	Lunch
0955	Open Discussion	Session III: China's New Asian Regional Policy (1)	
1025	Tea Break		Chair: Dr Rajeswari Pillai Rajagopalan <i>Observer Research Foundation, India</i>
Session II: New Type of Major-Power Relations?			
	Chair: Dr Wu Fengshi <i>S. Rajaratnam School of International Studies (RSIS) Singapore</i>	1355	China-Korea Relations: Strategic Recalibration? Dr Lee Dongmin <i>Dankook University, Republic of Korea</i>
1040	New Dynamics in China-U.S. Security Relations in the Asia Pacific Dr Gregory J. Moore <i>Zhejiang University, China</i>	1410	China and the South China Sea Disputes Mr Lim Kheng Swe <i>S. Rajaratnam School of International Studies (RSIS), Singapore</i>
		1425	Discussant: Dr Li Mingjiang <i>S. Rajaratnam School of International Studies (RSIS) Singapore</i>
		1440	Open Discussion
		1510	Tea Break

Session IV: China's New Asian Regional Policy (2)

- Chair:
Ms Caitriona H. Heini
S. Rajaratnam School of International Studies (RSIS) Singapore
- 1520 **China's Asia Strategy: Flexible Assertiveness?**
Dr Hoo Tiang Boon
S. Rajaratnam School of International Studies (RSIS), Singapore
- 1535 **China and Central Asia**
Dr Aidar Amrebayev
Kazakhstan Institute of World Economics and Politics, Kazakhstan
- 1550 **The "One Road, One Belt" Proposal: What Does It Mean and What Are the Implications for Asia?**
Dr Han Feng
S. Rajaratnam School of International Studies (RSIS) Singapore
- 1605 Discussant:
Ms Irene Chan
S. Rajaratnam School of International Studies (RSIS) Singapore
- 1620 Open Discussion
- 1705 Tea Break

Session V: China and Global Challenges

- Chair:
Dr Haruko Satoh
Osaka University, Japan
- 1715 **China and Global Governance**
Dr Wu Fengshi
S. Rajaratnam School of International Studies (RSIS) Singapore
- 1730 **China and Cybersecurity**
Ms Caitriona H. Heini
S. Rajaratnam School of International Studies (RSIS) Singapore
- 1745 Discussant:
Dr Zhou Qi
Chinese Academy of Social Sciences, China
- 1800 Open Discussion

Closing Remarks

- 1830 Dr Hoo Tiang Boon
S. Rajaratnam School of International Studies (RSIS) Singapore

End of Programme

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The **Institute of Defence and Strategic Studies (IDSS)** is a key research component of the S. Rajaratnam School of International Studies (RSIS). It focuses on security research to serve national needs. IDSS' faculty and research staff conduct both academic and policy-oriented research on security-related issues and developments affecting Southeast Asia and the Asia Pacific. Its research agenda presently comprises the following programmes: Military Transformations, Military Studies, Maritime Security, Multilateralism and Regionalism, China, Indonesia, Malaysia, South Asia and the United States.

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