

# Understanding Chinese Foreign Policy

## Assertive or Reactive?

*By Nazia Hussain*

Research Assistant, CDPS

China's traditional self-image as a teaching civilization and a world cultural centre has made it difficult for it to identify itself as one amongst many in a world of nation-states today. Chinese intellectuals and political leaders have debated over whether China should view itself as a member of the socialist world, the third world, or the Western-oriented international trading society which includes Europe, the Americas, Japan and the rest of the Pacific Rim. Lack of a well-fitting niche for China, especially in the wake of its recent remarkable rise, leaves room for discussion over what China's foreign policy should look like as it forges a new identity as a nation-state in an increasingly interdependent world.

Some scholars argue that foreign policy will not be a top priority for the new leadership under Xi Jinping (General Secretary of the Communist Party of China and the President of the People's Republic of China) due to their preoccupation with domestic issues; therefore China's foreign policy stance is going to be reactive. Yet many others believe China's foreign policy stance to be assertive, which can be seen in China's territorial claims over islands in the South China Sea, frequent incursions into Indian territory, tensions with Japan over the Senkaku/Diaoyu islands. In fact, with the exception of a few, China has tense relations with many of its South, South-east and East Asian neighbours.

To understand the complex nature of contemporary Chinese foreign policy, it is essential to know the historical context in which China became an independent nation-state.

### **The Mao Era**

After the fall of the Qing Dynasty, China was invaded by Western powers, forced to grant extra-territorial privileges, sign unequal treaties with Japan after a humiliating defeat in the Opium Wars, pay reparations, and turned to the outside world for famine relief, development aid, weapons, and manufacturing skills.

The chaos in the country subsided only when Mao Zedong consolidated power for the Chinese Communist Party, eventually proclaiming the People's Republic of China in 1949.

To develop without relying on foreign powers, Mao devised a system modeled on Stalinism but features unique to China. They collectivized the land and organized the peasants into communes. The party-state extracted capital from agriculture, used it to build state-owned industry, and returned the profits to more industrial investment. This led to rapid industrial growth in the 1950s, although growth slowed later under the impact of the Great Leap Forward and the Cultural Revolution. However, by the end of Mao's life in 1976, following the disastrous Great Leap Forward and the famine, China's economy was stagnant, technologically backward, with low living standards. From its status as a teaching civilization China became the "Sick Man of the East."

China has experimented with many foreign policies since its founding in 1949. For the first five years, the PRC followed a "lean to one side" policy. As explained by Chairman Mao, this meant that "whoever is not with us"—the socialist-communist camp—"is against us."<sup>i</sup>

Then from 1955-57, it pursued a much more accommodative policy: The Bandung Spirit of the Non-Aligned Movement, which originated from the conference of 29 Asian and African states held in Bandung, Indonesia, in April 1955<sup>ii</sup>. Its members were all newly independent former colonies who wanted to keep away from Cold War power politics, instead concentrating on economic development. China as well as the post-Stalin Soviet Union began to accept that a continuation of the 'lean to one side' policy might provoke hostility to them.<sup>iii</sup>

The years 1958–70 were a period of semi-isolation from "normal" international relations. China was starting to realize that while all the good feelings of the Bandung Spirit was well and good, it was doing nothing to extend Beijing's influence. Therefore, despite its commitment to the Panch Sheel Agreement, which prohibited interference in the internal affairs of other countries, China continued to do so in Cuba and Cameroon, where the leaders of both countries condemned China for interfering in their internal affairs.<sup>iv</sup> China also had a military confrontation with India, right after signing the Panch Sheel Agreement with Indian Prime Minister Jawaharlal Nehru. Chinese foreign Policy took a staunch ideological turn during Maos's Great Leap Forward and the Cultural Revolution. But this didn't last for too long as the Chinese military weakened during the Cultural Revolution and the Soviet Union was posing a threat to China. Beijing eventually became less ideology oriented and shifted more to balance of power oriented foreign policy. China continued to balance its relations with both the US and

the USSR, successfully playing one of these powers off against the other, until the disintegration of the Soviet Union in 1989.<sup>v</sup>

## **The Deng Era: Reform and Opening**

After Mao's death in 1976, Deng Xiaoping emerged as China's paramount leader who adopted a different economic development strategy called "reform and opening."<sup>vi</sup> He rapidly initiated reforms in China's economic and administrative systems, encouraged the market economy, ushered China into the global economic network, allowing foreign trade and investment to flourish.

Deng Xiaoping said that "practice is the sole criterion of truth," and believed that only by experimenting with alternative forms of production and entrepreneurial activity would China find the best path for economic development. He was the pioneer of China's experiments with capitalist methods of production. As Deng said, "it does not matter if a cat is black or white so long as it catches the mouse;" meaning that it did not matter whether China followed a capitalist or a socialist order as long as it brought economic growth in the country.<sup>vii</sup>

In the early 1990s, Deng Xiaoping formulated the strategic concept of taoguang yanghui – keeping a low profile and making some contributions, as a guideline for China's diplomacy. China's rank in international affairs was extremely low at this time as a result of the Tiananmen Square incident of 4 June 1989. Deng Xiaoping called on China to continue to calmly conduct its domestic (and foreign) affairs and insist on going its own way.<sup>viii</sup> He proposed that China should steadfastly pursue the reform and opening-up policy. Now, after twenty years, China is poised to attain super-power status. Some scholars believe it is no longer necessary to adhere to this principle since the situation has changed, and China cannot possibly get away with keeping a low profile.

Deng's strategy might be summarized as follows<sup>ix</sup>:

- lengjing guancha - observe and analyze (developments) calmly;
- lwenzhu zhenjiao - secure (our own) position;
- chenzhuo yingfu - deal (with changes) patiently and confidently;
- taoguang yanghui - conceal (our) capabilities and avoid the limelight;
- shangyu shouzhuo - be good at keeping a low profile;
- juebu dangtou - never become a leader;

- yousuo zuowei - strive to make achievements.

### **Current Situation: Assertive or Reactive?**

The three decades following China's adoption of the reform and opening-up policy have seen continuous growth in China's economy and its influence in the world. Meanwhile, China has been considering its identity vis-à-vis international society, reflecting on questions such as 'what is the nature of Chinese identity' and 'what role should China play and what responsibility should it take on the world stage?' Such questioning directly highlights various issues: What kind of power is China, a global or regional power? What kind of relationship should China develop with international society? What responsibilities should China shoulder in the international arena as its economy continues to grow? Should it continue with Deng's policy of keeping a low profile?

Foreign policy is said to take a secondary position in the PRC's priorities, and is complicated by the involvement of different power centres. The Foreign Ministry appears weak. State Councillor Dai Bingguo, who derives his authority from the Communist Party's Leading Group on Foreign Affairs, outranks Foreign Minister Yang Jiechi.<sup>x</sup>

At first sight, it may appear that China has quite a clear approach to the world. It has defined its 'core interests', including the preservation of its existing political and economic system, and territorial unity that includes Tibet and Xinjiang and the claim to Taiwan. Linked to this, it upholds non-interference in the internal affairs of sovereign states. It pursues a 'resource diplomacy' aimed at ensuring the supply of raw materials. For much of the period of growth since the end of the 1970s, it has applied Deng Xiaoping's doctrine of 'biding time and hiding one's talents' in international affairs while building up the economy, and avoiding causing alarm among developed nations which it needs both as export markets and as a source of technological investment.<sup>xi</sup> But this collection of separate interests contains internal contradictions and hardly constitutes the foreign policy of a great power. All this leads to the question of whether Beijing has a coherent foreign policy or, rather, a series of different agendas pursued at different times in different ways by different actors.<sup>xii</sup>

## **China's Neighbourhood Policy**

In light of increasing nationalist sentiments, China's new leadership faces pressing foreign policy challenges with its neighbours and other major non-regional powers like the US.

China has placed particular emphasis on the development of "good neighborly" relations and "partnership" with its neighbours in order to prevent external threats from triggering internal instability. China has emphasized nonmilitary aspects of its comprehensive national power, adopting a three-pronged approach of setting aside areas of disagreement with neighboring states, focusing on confidence-building measures to promote ties, and engaging in economic integration and multilateral cooperation to address shared concerns.

## **Relations with Japan**

Xi Jinping's immediate foreign policy test will be his ability to ease tensions with Japan over disputed islands in the East China Sea, called Senkaku / Diaoyu Islands. The situation is explosive. In the event that a collision – either accidental or intentional – between Japanese and Chinese vessels or aircraft leads to a loss of life, an armed conflict could erupt between the two countries. Emotionally charged nationalist sentiment among Chinese and Japanese citizens and officials makes it extremely difficult for senior leaders of either country to put forward a proposal which would stabilise the fraught situation. Genuine hostility lingers between the two nations despite over 40 years of comprehensive economic and societal ties. Strong anti-Japanese sentiment amongst Chinese people stems in part from the perception that Japan has never fully apologized for World War II atrocities and in part from the Communist Party's continuous emphasis on the victimisation of Chinese at the hands of the Japanese prior to 1949.<sup>xiii</sup> Japanese people, in turn, are apprehensive about China's growing power and assertiveness. Over the past decade, ties between China and Japan have deteriorated on several occasions, often as a result of inflammatory statements and visits to the controversial Yasukuni war shrine by rightwing Japanese politicians.<sup>xiv</sup>

In recent years, incidents around the Senkaku/Diaoyu islands have become the main source of tension between the two countries. The governments in Beijing, Taipei and Tokyo all claim sovereignty over what are basically large uninhabited rock islets, which were annexed by Japan in 1895.<sup>xv</sup> The United States occupied them in 1945 and handed over the administrative rights of the islands to Japan in 1972 although they were privately owned. There are potentially large oil and gas deposits in the seabed near the islands. The current stand-off over the Senkaku/Diaoyu Japanese family who had

owned them for decades. According to Japanese officials, the islands came to a head in September 2012 when Japan's central government purchased four of the five disputed islands from a government's decision was made to deter Tokyo's right-wing governor Shintaro Ishihara from fulfilling his publicly announced plan to purchase the islands. Ishihara is notorious for his nationalist outbursts.<sup>xvi</sup>

China's economy has already been hurt by recent anti-Japanese sentiment in China. As Hu Shuli, an influential business editor, pointed out when she advocated a cooling of emotions during the 2012 anti-Japanese protests in China: 'A boycott of Japanese products would not only result in a block on the useful transfer of technology that comes with the import of [Japanese] products, it would cause massive job losses. This would be disastrous in a shaky Chinese economy.'<sup>xvii</sup>

An escalation of tensions between China and Japan would also cause serious problems in China-US ties, which Xi does not desire. While American officials have publicly said that the United States does not take sides on the dispute regarding sovereignty of the islands, they have also confirmed that the Japan- US defence treaty covers the Senkaku Islands. An armed attack on Japan would invoke the defence treaty, thereby obligating the United States to assist Japan in defending the islands.<sup>xviii</sup>

In sum, while Xi Jinping will try to manage tensions with Japan, he will have to tread extremely carefully to avoid creating a perception amongst Chinese that he is weak in defending China's national interests.

## **Relations with India**

India-China relations are far from friendly, especially after China abandoned the Panch Sheel Agreement, and the subsequent Indo-China War of 1962. Although the two countries have taken steps to boost bilateral relations, tensions continue to prevail in the border dispute and frequent Chinese incursions into Indian territory. China's aggressive foreign policy towards the border issue is marked by these incursions, the most recent being in April this year when Indian authorities spotted Chinese troops pitching tents in Ladakh, resulting in a three-week standoff on the disputed border. Soon after this incident, around 50 Chinese soldiers riding on horses and ponies intruded into the Indian territory of Chumar in Ladakh on July 16 staking their claim over the area. This intrusion took place on the day when India gave approval to the creation of a Mountain Strike Corps along the border with China. Srikanth Kondapalli, a professor in Chinese Studies at the New-Delhi based Jawaharlal Nehru University, said transgressions by patrolling Chinese soldiers have become more frequent in recent years, increasing to nearly one a day, a signal of heightened border activity by India's neighbour.

Beijing's non-transparent plans in so far as building dams on the Yarlung Tsangpo (Brahmaputra) river is also an issue that has the potential to keep India-China relations uneasy. There is concern over China's plans to even divert the Yarlung Tsangpo (Brahmaputra) to provide water to its arid northern areas.

## **Relations with Southeast Asia**

Another major challenge for China's new leadership is how to manage the risk of conflict in the South China Sea. One of the major successes of China's foreign policy after the 1997 Asian financial crisis was Beijing's skillful diplomacy in Southeast Asia. China signed the Treaty of Amity and Cooperation with the Association of Southeast Asian Nations (ASEAN), joined with Japan and South Korea in ASEAN +3, and initiated more joint projects in the region than either the United States or Japan.<sup>xix</sup>

However, since 2010 the reservoir of goodwill which China had built up in Southeast Asia over more than a decade has all but evaporated. States in the region fear Beijing is using its growing military, political and economic power to coerce Vietnam and the Philippines, in particular, to accept China's territorial claims in the South China Sea. China, in turn, views fishing and resource exploration activities by Vietnam and the Philippines in what it regards as its territorial waters as infringing on its sovereignty. Beijing fears that anything less than a forceful response would be interpreted – domestically and internationally – as a forfeiture of its sovereign rights.<sup>xx</sup>

The situation in the South China Sea is further complicated by the fact that Taiwan, Malaysia and Brunei, in addition to China, Vietnam, and the Philippines, also have longstanding territorial and jurisdictional claims in various parts of the South China Sea. This affects their right to fish and exploit oil, gas and mineral deposits in the region. Several factors have increased tensions in recent years: first, rising nationalism across the region has put pressure on leaders to defend territorial integrity; second, the exploration activities of national and multinational resource companies in disputed waters have intensified; and third, the actions of maritime law enforcement vessels from China, the Philippines and Vietnam in harassing those deemed as violators have become more assertive and audacious.<sup>xxi</sup>

China's actions over the last few years are at odds with its pledge, reiterated in the 18th Party Congress work report, to 'consolidate friendly relations and deepen mutually beneficial cooperation' with its neighbours.<sup>46</sup> Beijing further alienates its Southeast Asian neighbours by opposing multilateral conflict resolution mechanisms and insisting on bilateral negotiations to resolve or manage the disputes. Beijing

vehemently protests what it sees as 'meddling' by the United States in the South China Sea and refuses to involve non-claimants in any negotiation framework.<sup>xxii</sup>

The growing anxiety that China's rise evokes in countries both near and far is a serious challenge for China. 'Hedging' has become a more prominent aspect of managing relations with China in capitals across the region. Beijing has not a single genuine friend in its neighbourhood. Although governments across the region are taking steps to align themselves closer to the United States as a result of tensions in the South China Sea, they do not want to end up in a situation in which they have to choose between Beijing and Washington.



i

References:

<http://www.fpri.org/footnotes/125.200702.dreyer.chineseforeignpolicy.html>

ii Ibid

iii Ibid

iv Ibid

v Ibid

vi [http://afe.easia.columbia.edu/special/china\\_1950\\_leaders.htm#deng](http://afe.easia.columbia.edu/special/china_1950_leaders.htm#deng)

vii Ibid

viii [http://www.iss.europa.eu/uploads/media/cp121-China\\_s\\_Foreign\\_Policy\\_Debates.pdf](http://www.iss.europa.eu/uploads/media/cp121-China_s_Foreign_Policy_Debates.pdf)

ix [http://journals.upd.edu.ph/index.php/kasarinlan/article/view/1415/pdf\\_59](http://journals.upd.edu.ph/index.php/kasarinlan/article/view/1415/pdf_59)

x <http://www.lse.ac.uk/IDEAS/publications/reports/pdf/SR012/fenby.pdf>

xi Ibid.

xii Ibid.

xiii Jakobson, L. (2013). China's foreign policy dilemma. Lowy Institute for International Policy, Sydney, Australia.

xiv Ibid.

xv Ibid.

xvi Ibid.

xvii Ibid.

xviii Ibid.

xix Jakobson, L. (2013). China's foreign policy dilemma. Lowy Institute for International Policy, Sydney, Australia

xx Ibid

xxi Ibid.

xxii Ibid.