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2016**Understanding China's Foreign Policy Goals in
Asia Through the South China Sea Disputes***By Srđan Uljević***Introduction**

Ever since the launch of the *Reform and Opening* policy in 1978 China has been under close scrutiny of scholars and policymakers for its potential to transform the world's economic, political and military relations. As the country's economy grew larger and its political clout became more influential, international relations scholars had been applying various models and theories in order to understand and possibly predict China's foreign policy behavior. Questions pertaining to whether China will be a status quo or revisionist power in the international system became even more relevant after the end of the Cold War and the collapse of the Soviet Union. With its sizeable landmass, strategic geopolitical location, large population and rapidly modernizing economy, China had all the trappings of a potential superpower.

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By joining the World Trade Organization in 2001, China had effectively secured the key economic component necessary to achieve the crux of its grand strategy – to build comprehensive national power as well as to increase its influence in international fora. As a result of the WTO membership, China's economy was propelled to new heights and its GDP grew more than eight times between 2001 and 2014. On the diplomatic front, multilateral and bilateral cooperation proliferated, with countries from every

continent flocking to Beijing to sign trade deals. The EU offered to share its normative experience in regional cooperation while the US openly invited China to become a “responsible stakeholder” in 2005. For its part, China initiated a series of bold diplomatic moves towards the Association of Southeast Asian Nations (ASEAN), branded by the media and policymakers as the *charm offensive* policy. The charm offensive period lasted from 1997 to 2008 and paved the way for China’s deeper economic, political and military cooperation with Southeast Asian countries. The policy fueled dreams of China becoming the engine of ASEAN’s future economic growth and prosperity.

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Since 2008, however, China’s stance toward Southeast Asia (and to a degree Japan) has made a sharp turn, raising alarm bells in most ASEAN capitals and prompting the Obama administration to announce the “pivot” to Asia. In 2010, at a regional security forum, Chinese foreign minister Yang Jiechi wagged a finger at a Singaporean delegate and said: “China is a big country and other countries are small, that’s just a fact”. Such a comment was unthinkable not long ago. It’s safe to say that China’s aggressive posturing and outlandish maritime claims are creating profound anxiety

among Asia-Pacific leaders who now openly question China’s true long-term geopolitical goals. In this regard, explaining China’s recent actions in the South China Sea can shed light on a particular domestic-level driver that in return provides a glimpse into China’s possible wider foreign policy goals in Asia.

China and ASEAN since 1997

The origin of the *charm offensive* policy goes back to 1997, when Beijing made a surprising decision not to devalue its currency during the Asian financial crisis. That choice not only won praise from Southeast Asian leaders whose economies had been ravaged by the crisis, but also forebode the things to come. Another surprise came two years later, when China proposed launching negotiations to establish a free trade agreement with ASEAN. Furthermore, despite having open territorial disputes with several countries in Southeast Asia, China decided to join ASEAN in signing trust-building accords of highly symbolic importance, such as the *Declaration on the Conduct of Parties in the South China Sea (2002)*, and the *Treaty of Amity and Cooperation in Southeast Asia (2003)*. At the same time, China also joined ASEAN driven multilateral fora, including *ASEAN + China* and *ASEAN + 3*. In other words, by showing willingness to restrain its power in relation to smaller neighbors, Beijing was signaling that its long anticipated return to the echelons of the international system wouldn’t be marred by great power politics and spheres of influence, but instead adorned by respect for international norms and institutions.

However, the enthusiasm shared by many Asian leaders about China's *charm offensive* quickly evaporated after Beijing resurfaced the infamous nine-dash line map of the South China Sea in May 2009. The map shows *nine dashes* which, linked together, encompass most of the South China Sea. China used the map with the UN Commission on the Limits of the Continental Shelf in 2009 to support its "historical claims" of the entire maritime area within the nine dashes. From the onset, a majority of legal experts largely dismissed the map. They heavily criticized its legal ambiguity and argued that the map disregards the UN Convention on the Law of the Sea. China ignored those concerns and pursued a strategy that consists of a four-pronged approach.

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The first prong is aimed at rapidly changing the status quo on the ground. For that purpose, Beijing embarked on a massive building frenzy on the Paracel and Spratly Islands, two largest island chains in the South China Sea. The extent of the change is both impressive and disconcerting at the same time. According to a report by the US Department of Defense, since December 2013 China has managed to reclaim more land than all other Southeast Asian countries combined in the last forty years. Several ASEAN nations, most notably Malaysia,

Brunei, Vietnam and the Philippines, have competing claims on some of the islands. Apart from being rich fishing grounds, Spratly Islands, for example, are considered to have large deposits of oil and gas. Even more troubling is the fact that built installations, which include landing strips, harbors and lighthouses, can either be used by the military or are indeed intended for the military, judging by their size, purpose and build quality. Another element is active access denial of the areas claimed and occupied by China. An ongoing list of maritime incidents that take place on an almost weekly basis, and often include ship ramming, demonstrates how far Beijing is willing to go against those who dare to challenge the new status quo.

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The second prong is normative in nature, because it aims at changing the discourse surrounding the South China Sea disputes in order to legitimize Chinese actions. It's an attempt by Chinese officials and lawmakers to present the disputes as part of Chinese "core interests" and, as such, off limits to Western powers. The term "core interests" was initially used with Western officials and only in reference to Taiwan, as an issue of extreme importance to China's sovereignty and territorial integrity. However, since 2006 the term has been expanded to include Tibet and Xinjiang. In 2013 "core interests" received another expansion, when the term was – for the

very first time – used in a reference to the disputed islands. Finally, in 2015 China passed a new national security law which gave the official definition of the term. Unfortunately, the definition is extremely wide and vague as “core interests” include the political regime, sovereignty, people’s livelihoods, sustainable economic development and “other major interests”.

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The third prong is diplomatic in nature and falls under the old adage of “divide and conquer”. This policy is aimed at preventing ASEAN members from having a common position vis-à-vis China and the disputed islands. The effect of this approach was first witnessed in July 2012 when ASEAN’s foreign ministers failed to agree on a joint communiqué, a first in the history of the group, causing a major embarrassment and questioning the association’s credibility. The same outcome was repeated more recently in 2016, during the ASEAN-China Special Foreign Ministers Meeting in Yuxi, China. However, even when they did finally agree to issue a joint statement concerning the developments in the South China Sea, the message was watered down and carefully crafted in order not to offend Beijing. The reason for this lies with ASEAN’s consensus based decision-making process. In this regard, China has successfully used economic leverage

over Cambodia and Laos – ASEAN’s poorest members – to prevent the association’s unity and resolve over the South China Sea disputes.

Lastly, the fourth prong is a media based attempt to influence the public opinion of a surprisingly large number and diverse set of countries. As reported by the BBC, in July 2016, just weeks before the awaited ruling by the Permanent Court of Arbitration on the validity of China’s historical claims and the *nine-dash line* map, a number of articles appeared in leading newspapers across a range of countries, including not only the more prominent members of the international community such as the UK, France, Germany or Australia, but also Sierra Leone, Lesotho, Fiji, Jamaica, Iceland, Slovenia, Cyprus and Macedonia, among others. The articles appear to have been written by Chinese ambassadors who, by presenting the Chinese perspective on the South China Sea disputes, attempted to sway public opinion. The fact that such a media push had never been done on that scale by China makes this approach unique and interesting.

Understanding China’s Actions in the South China Sea

How can we explain China’s about-face toward Southeast Asia? According to Phillip C. Saunders, Chinese officials miscalculated the severity of the 2008 financial crisis on the US, and interpreted American willingness to expand China’s role in global institutions as weakness and a sign of a major power shift. This insider’s account suggests strategic

thinking and long term planning. It somewhat echoes Deng Xiaoping's strategic advice to the Communist Party of China, given after the Tiananmen protests and the collapse of the Soviet Union: "observe calmly, secure our position, cope with affairs calmly, hide our capacities and bide our time, be good at maintaining a low profile, and never claim leadership". And China did exactly that. It avoided confrontation even when its embassy in Belgrade was (mistakenly) bombed by NATO in 1999, or two of its planes were lost during the 2001 Hainan incident, focusing instead on socio-economic development. This policy is commonly referred to as the *golden opportunity*, and it's an integral part of China's grand strategy. Its end goal, however, was never a secret – it was for China to regain great power status. In order to fully understand the source of this goal we have to unpack the dominant domestic narrative – Chinese nationalism.

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Chinese nationalism is often characterized as: xenophobic and hubristic; diverse and almost as old as European nationalism; state-driven (constitutes the core component of the education curriculum); ideological glue that keeps the country together; source of CPC's

legitimacy after the Tiananmen protests; a tool for state's foreign policy goals (exemplified by the 2005 anti-Japanese riots). Chinese nationalism is all that and more. In line with the social constructivist school of thought, the author argues that the best way to understand China's actions in the South China Sea is to think of Chinese nationalism as a narrative. It can be defined as a state driven, dominant narrative whose purpose is to inform and shape Chinese identity. State driven means that the narrative emanates from state institutions, mainly through the education system and state controlled media. Dominant means that while there are alternative, competing and non-state sources of Chinese identity, they pale in strength and influence compared to the official, state narrative.

The narrative indirectly informs the intended audience on three fundamental identity questions, the first two being: what does it mean to be Chinese today? And, who is the *other*? The third question, perhaps the most important, provides with a normative worldview on how to perceive that *other*.

The narrative's primary message can be broken down to two components, both of which are continuously recreated in Chinese society. The first component is centered on the evocation of China's glorious past that spanned thousands of years and included numerous technological innovations as well as cultural achievements. China's central political, economic and military role in Northeast and Southeast Asia is emphasized. The Sino-centric tributary system is believed to span principalities and states found in modern day Thailand, Vietnam, the Korean peninsula, and Japan. We can call this

part of the narrative the *narrative of supremacy*. The second component is a continuation of the first. It takes a darker tone, and is commonly known as the *hundred years of humiliation*. It's a period that starts in 1839, with the Opium wars and the Sino-Japanese war, and ends in 1949 with the ascent of the CPC. Unfortunately, the message of this component is clearly anti-Western and anti-Japanese and it's here where much of the Chinese mistrust and animosity originates. We can refer to it as the *narrative of victimhood*.

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On one hand, because both parts of the narrative are continuously recreated in society through education, publications and state media, the humiliating events that took place 150 years ago are still very much relevant. Mark Leonard describes the looting of the Summer Palace in Beijing in 1860, by British and French soldiers, as the “Chinese 9/11”. Indeed, the so-called “politics of memory” plays a role in several other Asian countries, as do similar domestic narratives. On the other hand, the narratives of supremacy and victimhood inform the identity and worldview of Chinese decision-makers. Following the logic of constructivism, understanding one's identity allows us to understand his interests. Knowing someone's interests makes it possible to explain his actions.

Conclusion

China's more recent aggressive posture vis-à-vis the smaller Southeast Asian nations can be explained by applying the constructivist logic to Chinese nationalism. If this assessment is indeed correct, then China's long-term goal in Northeast and Southeast Asia is to replace the US as the dominant economic, political and military power. China's unwillingness to permanently settle open disputes with Japan pertaining to the events of WWII can be explained in this light. Whether China will achieve the aforementioned goal depends on other actors and factors that influence geopolitics in Asia – the US military commitment being one of them. Nonetheless, the fact remains that even if China wanted to compromise on the island disputes, its leadership would have to tread carefully in order not to appear weak in the eyes of the domestic public. Chinese history offers ample examples of what happens to regimes deemed weak vis-à-vis foreign powers – they are toppled.

The ruling of the Permanent Court of Arbitration supported the Philippine's position and rejected both the *nine-dash line* map as well as China's “historical claims”. Not surprisingly, Beijing has decided to ignore the court's decision. However, despite losing the legal battle, China seems to be winning the political battle as the region's claimants now seem willing to address the South China Sea disputes bilaterally, instead as a group. If that indeed turns out to be the case, China will have achieved one of two goals it has vis-à-vis the South China Sea disputes: the first being

bilateral negotiations with each claimant individually, and the second being the exclusion of all non-claimant states from dispute negotiations – the US, Japan and Australia. More importantly, the recent overtures by the

Philippines and Malaysia could turn out to be the beginning of a quiet strategic realignment. In any case, all eyes are now on the new American administration.

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