

CHAPTER II

THE DYNAMICS OF CONTEMPORARY CHINA'S FOREIGN POLICY

Prior to the discussion about the Hague tribunal ruling on South China Sea case, it is important to review the dynamics in contemporary China's foreign policy to put the given case in context. This chapter is also aimed to gain a better understanding of China's new assertiveness in its foreign policy, particularly in handling the South China Sea dispute. Contemporary China's foreign policy here means Chinese foreign policy under Xi Jinping administration since his ascendant into office in 2013. Accordingly, the case of South China Sea arbitration between the Republic of the Philippines and the People's Republic of China happened during Xi's presidency, began when the Philippines initiated the arbitration in early 2013 until the Tribunal announced the final Award in mid-2016. Any actions taken by Beijing in responding to the Tribunal and/or the Philippines are part of China's foreign policy under Xi's leadership.

Regarding contemporary China's foreign policy, Xi has decisively steered China's foreign policy strategy to move away from the country's longstanding strategy 'Tao Guang Yang Hai' (韬光养晦, 'Keeping a Low Profile'), started by Deng Xiaoping in early 1990s, to 'Fen Fa You Wei' (奋发有为, 'Striving for Achievement'). For two-decades-long, the 'Tao Guang Yang Hai' strategy has successfully brought China to have a favorable external environment for the country's economic development, Chinese scholars have evaluated that it is still far-reaching to have an international environment suitable for realizing the national rejuvenation. Under the 'Fen Fa You Wei' guidelines, China is becoming more confident and proactive in utilizing its growing power to put forward and protect its national interest and establish a more favorable external environment for China's national rejuvenation. In that context, Xi Jinping has suggested the need to develop two major foreign policy initiatives, namely 'a new type of great power relationship' when it comes to the China-U.S. relationship and a 'community of common destiny' with the majority of countries in the world. The seemingly

ambitious diplomatic gestures make China face bigger challenges than before in managing foreign relations.

Accordingly, this chapter is made of the following three parts. The first section reviews the shift in China's foreign policy strategy from 'Keeping a Low Profile' to 'Striving for Achievement,' highlighting the significance of Xi's Chinese Dream for Chinese foreign policy to understand the movement of its shifting. The second part discusses 'the new type of great power relationship' and 'the community of common destiny' as contemporary China's foreign policy initiatives. The last part examines the foreign policy challenges faced by China in the contemporary era.

A. The Shift in China's Foreign Policy Strategy: From 'Keeping a Low Profile' to 'Striving for Achievement'

1. 'Keeping a Low Profile' Strategy

In the late of 1970s, China's former paramount leader Deng Xiaoping started the 'reform and opening up' (改革开放, gaige kaifang) era, making China a country which is open to the outside world by reforming its economic system. This shift in Chinese policy priority also has an impact on the country's foreign policy. A Chinese scholar, Chen Zhimin (2009), argued in his joint research article entitled *China's Shift: Global Strategy of Rising Power* that the shift in China's foreign policy is due to China's realization to take an international responsibility (Chen, 2009). Therefore, in the early 1990s, Deng started to layout 'Keeping a Low Profile' as a foreign policy guideline which the main objective is to concentrate on shaping a favorable external environment for economic development inside China. Deng was then putting a priority on achieving the economic development of China because according to him, it would be important not only for Chinese people but also for all of humankind (Deng X. , 1987, p. 224). Deng perceived China's international responsibility that way because, according to him, improving the welfare of a country which possesses one-fifth of the world population would reduce the population of the impoverished and it became China's

critical contribution to the world agenda of development and poverty reduction (Chen, 2009).

The objective of the foreign policy in Deng's era did not go as far as pursuing an idealistic ideological agenda, as Chen quoted from Ambassador Wu Jianmin's argument that "China's first responsibility is to do well for itself" (Chen, 2009; Wu, 2007). A more pragmatic approach characterized China's foreign policy in the Deng's era is by taking international responsibility, which emphasized more on domestic development and less on aid for developing countries. Under the 'Keeping a Low Profile' guideline, China's foreign policy in the Deng era focused on its effort to keep the domestic affairs (such as issues of Taiwan, Tibet, Falungong, and human rights) away from foreign meddling. China has also limited itself in taking any major role in global and regional affairs only in the scope of its surrounding neighbors (Chen, 2009).

For the next two Chinese leaders after Deng, China continued the spirit of 'Keeping a Low Profile' in its foreign policy strategy. In a journal entitled *From Keeping a Low Profile to Striving for Achievement*, Professor Yan Xuetong from Tsinghua University wrote that many Chinese government officials argued and defended that the 'Keeping a Low Profile' strategy should be continued for at least a century because it would take a long time for China to rise (Yan, 2014). He further strengthened that argument by highlighting the statement from State Councilor Dai Bingguo in 2010 which stated that if the Chinese Communist Party (CCP) abandoned the 'Keeping a Low Profile' strategy, China would not be able to maintain a peaceful external environment for economic development (Dai, 2010; Yan, 2014). That argument is based on Dai's interpretation of 'Keeping a Low Profile' initially brought up by Deng Xiaoping as a strategy which is "being moderate and cautious, undertaking no leadership, raising no banner, searching for no expansion, not running after hegemony and being consistent with the idea of peaceful development" (Yan, 2014).

Therefore, the ‘Keeping a Low Profile’ strategy was still quite prominent in Hu Jintao’s administration, although in implementation, it had undergone some modifications following the trend of China’s increasing capacity and influence in the world. In late 2003, Chinese leaders and think tanks proposed the term “peaceful rise” to describe China’s new foreign strategy. However, the term only lasted for several months and consequently removed from official documents due to the presence of the word “rise,” which had confused foreign audiences. It was later readjusted with the term “peaceful development,” which was adopted from Deng Xiaoping’s previous speech (Chen, 2009).

Although the concept of “peaceful development” was still relevant in Hu Jintao’s era, it did not completely grasp the main tasks and objectives of China’s foreign policy under new circumstances where China needed to work on a strategy which was not merely China-centered but more leaning towards its global vision. To fulfil that purpose, at a 2005 UN special summit meeting Hu Jintao introduced “harmonious world” thought where China took an active part in creating a harmonious world in which “states can be equal and have mutual trust, common security can be achieved, win-win cooperation leads to common prosperity and diversity of civilizations can be maintained” (Chen, 2009). Evidently, with the “harmonious world” thought, China had become more proactive in its foreign policy. Although it had not necessarily strayed away from ‘Keeping a Low Profile’ strategy, China had started to take a greater part in international responsibility more than before.

2. ‘Striving for Achievement’ Strategy

There is a significant departure in China’s foreign policy strategy from ‘Keeping a Low Profile’ to ‘Striving for Achievement’ in Xi Jinping administration. This shift in China’s foreign policy strategy was beyond prediction as there was a widely held view outside China that China’s new president would be preoccupied with domestic issues, and therefore would not put foreign policy as main priority (Zhang, 2015). In contrast, Xi Jinping has been very active

in conducting foreign relations. Xi made his first overseas tour just a week after he became the State President in March 2013. He visited Russia and Tanzania, as well as attending the 'BRICS' (Brazil, Russia, India, China, and South Africa) summit in South Africa. Within seven months, he had spent a total of 33 days overseas trips to major continents in the world, attended several international forums, and welcomed state leaders at home. The Chinese Premier Li Keqiang and all five members of the Standing Committee of the Politburo of the CCP also made plenty of visits overseas (Zhang, 2015). The way China has become more proactive in conducting foreign relations sets a different tone from the way it was laid out in 'Keeping Low Profile' strategy.

Other than Xi's activeness in conducting foreign relations, Xi Jinping who was elected to replace Hu Jintao as the new General Secretary of the CCP of China started to promote Chinese Dream (中国梦, zhongguo meng) as his signature slogan at the CCP's 18th National Party Congress. On November 29, 2012, Xi spoke to the television audiences that the aim of his Chinese Dream is for "great rejuvenation of the Chinese nation" from the "century of humiliation", referring to the modern Chinese history when China was humiliatingly defeated by the Great Britain in the mid-nineteenth century. On his first speech as the President of the People's Republic of China at the National People's Congress held in March 2013, Xi (2013) in Callahan (Callahan, 2014a) stated that in order to fulfil the great rejuvenation of the country set in the Chinese Dream, the country must become a revitalized, rich, and powerful country and able to ensure the people's happiness. In the following years, the Chinese Dream has become a major theme in Xi's public speeches and also in numerous Chinese media and publications. According to the CNKI China academic journal database by the mid-2014, there were 8,249 articles published with Chinese Dream as the title (Callahan, 2014a).

Domestically, the Chinese Dream is presented as the vision of China's development over the next decades with the national rejuvenation as the core concept (Wang, 2014; Sørensen, 2015). Some may dismiss that Xi's Chinese Dream is a mere propaganda and an empty talk, but it has to be carefully examined that Xi promoting Chinese Dream has a correlation with the condition in the PRC which suffers from the crisis presented by what the intellectuals called as China's new money worship society (Callahan, 2014a). In that context, Chinese Dream serves as Xi's attempt in fixing the crisis by setting it as the vision of China's future which contains the value of "socialism with Chinese characteristics" (中国特色社会主义, zhongguo tese shehui zhuyi). Xi further emphasizes that Chinese people should be patriotic by realizing their individual dreams through the realization of Chinese Dream. Therefore, Chinese Dream has a significant function in domestic politics as an instrument to unite the thoughts and actions of Chinese people and to get them focus in facing the immediate challenge faced by China following its vision for development and modernization (Sørensen, 2015).

The concrete agenda of Chinese Dream is to realize the "two centenary goals" (两个一百年目标, liangge yibainian mubiao) in which a strategist Yan Xuetong puts it as a Chinese rejuvenation program that has the possibility to achieve within our lifetime (Callahan, 2014b). The first agenda is to establish a "moderate well-off society" (小康社会, xiaokang shehui) by 2021 when the CCP has existed for a century and the second agenda is to realize a "rich and strong socialist country" (富强的社会主义国家, fuqiang de shehuizhuyi guojia) by 2049 when the PRC has existed for a century (Sørensen, 2015). From both of centenary goals it can be inferred that Chinese Dream is not a merely domestically-directed agenda, but it also has a clear foreign policy agenda. An Associate Professor in National Security College at the Australian National University, Michael Clarke (2017), argues based on the statement of State

Councilor Yang Jiechi that the realization of two centenary goals would not only consolidate CCP rule but also provide China the capacity to preserve a peaceful external environment and that Xi and other prominent leaders have asserted that the realization of the China Dream would benefit the people of the world as it is based on the principles of peace development, cooperation, and win-win relations (Clarke, 2017; Yang, 2013).

In relation to the developments in China's international role and foreign policy strategy, Sørensen (2015) summarizes in her journal entitled *'The Significance of Xi Jinping's "Chinese Dream" for Chinese Foreign Policy: From "Tao Guang Yang Hui" to "Fen Fa You Wei"'* that there are basically three main points in Xi Jinping's and other Chinese foreign policy leaders' speeches and statements on the Chinese Dream. Firstly, with the Chinese Dream, China is aimed to take larger international responsibilities by also shaping the international order into a higher degree and increasing its participation in giving ideas and solutions to international crisis. Secondly, China wants to gain an international respect and to be equally treated on the same footing with the U.S. and thirdly, China will never compromise when it comes to safeguarding its sovereignty and core interest (Sørensen, 2015). Based on those three main points, it therefore can explain China's actions which are very assertive in handling the territorial dispute in the South China Sea and the East China Sea, while at the same time very eager in pursuing a further development in regional economics, politics, and security.

Reflecting on the statements and actions mentioned above, there are clear evidences that China's foreign policy strategy has gradually shifted from 'Keeping a Low Profile' to 'Striving for Achievement'. The main implication of 'Striving for Achievement' on Chinese foreign policy behavior is that China does not longer focus on keeping a low profile but rather to start showing and using its capabilities in striving for leadership, particularly in the region (Sørensen, 2015). While the 'Keeping a Low Profile'

strategy emphasizes on economic benefits, the ‘Striving for Achievement’ strategy seeks to establish a political dignity by setting the task of making friends as the most important goal in China’s foreign policy. The ‘Striving for Achievement’ strategy will create a favorable environment for China’s national rejuvenation because its priority on morality over economic benefits will make China easier to gain more international support. However, China has to implement the ‘Striving for Achievement’ strategy delicately in order to avoid being taken as an over-aggressive power and prevent international supports in favor for the challengers (Yan, 2014).

B. Contemporary China’s Foreign Policy Initiatives

Under Xi Jinping’s leadership, China has more confident and proactive foreign policy approach by making several concrete initiatives to shape a favorable external environment. Two of the most noteworthy initiatives are the concept of ‘new type of great power relationship’ and ‘community of common destiny’.

1. New Type of Great Power Relationship

The concept of ‘new type of great power relationship’ was initiated by China to manage the complexity of China-US relations. Xi proposed this new concept in his meeting with US President Obama in June 2013 as the basis for future conduct of their bilateral relationship. Xi defined it in three points: 1) no conflict or confrontation, by emphasizing dialogue and treating each other’s intention objectively; 2) mutual respect, by respecting each other’s core interest and main concerns; and 3) mutually beneficial cooperation, by leaving the zero-sum game mentality and working on the areas of mutual interest (Li & Xu, 2014).

China proposed the concept of ‘new type of great power relationship’ because she is aware that maintaining a stable and cooperative relations with the US is fundamental, considering the differences in strategic and political interests between the two countries (Zhang, 2015). Furthermore, China believes that the ‘new type of great power relationship’

will enable both powers to establish a new code in line with China's interest, particularly in the aspect of "core interests", where China puts importance for its territorial claims (Li & Xu, 2014).

2. Community of Common Destiny

The second concept, which is 'community of common destiny', was developed to strengthen China's relationship with a broad range of countries, particularly the neighboring countries. The concept was first mentioned by the then Chinese President, Hu Jintao, in 2007 to describe Mainland China's unique relationship with Taiwan. It was later used in China's 2011 white paper to describe the mutual interdependent relationship between countries with different political systems and level of development. Xi subsequently took the concept with the later description and mentioned it in his first foreign policy speech with a group of foreign experts working in China as well as in several international occasions (Kai, 2013; Zhang, 2015). The concept of 'community of common destiny' has gained much significance, as Xi particularly used it to define China's vision for its relationship with Southeast Asian countries.

In the relation to the 'community of common destiny', in 2013 President Xi Jinping announced his grand programs during his state visits to Kazakhstan and Indonesia; the Silk Road Economic Belt and the 21st Century Maritime Road which are land-based and sea-based initiatives respectively. Shortly after, both initiatives combined into one and later widely-known as Belt and Road Initiative (BRI) (Hong, 2017). So far, the BRI already has an action plan issued by the National Development and Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce of the People's Republic of China, with State Council authorization, on March 28, 2015 (Full text: Action plan on the Belt and Road Initiative, 2015). This grand initiative has aims to promote joint development and common prosperity by enhancing connectivity and cooperation between China and the rest of Eurasia countries. The realization of BRI will

also help China to shape the international rules and norms, as well as influence the global economic order (Nie, 2016).

In regard to the BRI, Clarke (2017) argues in his article entitled “The Belt and Road Initiative: China’s New Grand Strategy?” that there are three challenges that Beijing wants to overcome through the BRI; domestic, economic, and geopolitical. Clarke further explains that domestically, the initiation of BRI is rooted in the ambition in China’s National-Security Agenda to integrate its traditional frontiers of Xinjiang, Tibet, Inner Mongolia, and Yunnan. Economically, the BRI will enable China to keep the flows of Chinese capital and exports that are essential to the ongoing economic growth in which the CCP depended on its legitimacy. Geopolitically, the BRI will enable China to develop trans-Eurasia connectivity centered at Mainland, which later supports Beijing’s pursuance on constructing a viable strategic and economical alternative to the current international order (Clarke, 2017). Overall, the BRI has become the key driver for the advancement of China’s interests overseas and the source of China’s confidence as the rule-shaper in the economic governance of the region and beyond (Hong, 2017). It signifies a change in China’s foreign policy, which has shifted from two-decades-long “Keeping Low-Profile” to President Xi’s new approach, “Striving for Achievement.”

C. Contemporary Foreign Policy Challenges Faced by China

In managing the foreign relations, the ambitious and proactive diplomatic posture of China under the leadership of Xi Jinping faces greater challenges than their predecessors. The most difficult thing to reconcile is the contradiction between China’s need to maintain regional stability, particularly in Asia Pacific, and its need to protect the “core interests”. It is easier said than done to maintain the regional stability without damaging China’s national interests, and defend it without causing conflicts (Deng Y. , 2013). Thus, on the one hand, the ‘Striving for Achievement’ strategy puts pressure to China to be more assertive in protecting China’s national interests, especially

in its territorial disputes with the neighboring countries. On the other hand, it also pushes China to strengthen her relationship with the surrounding countries to maintain a regional stability.

China's first challenge in maintaining a balance between that contradictory foreign policy agendas is depending on its definition of "core interests" which has created a debate within and outside of China over the last few years (Swaine, 2011). The term is generally perceived as a vital national interests on which China will be unable to compromise and/or will have to use violence if necessary. The official definition of the "core interest" as listed in China's 2011 Peaceful Development White Paper includes

"state sovereignty, national security, territorial integrity and national reunification, China's political system established by the Constitution and overall social stability, and the basic safeguards for ensuring sustainable economic and social development" (China's Peaceful Development, 2011).

Even with that definition, it is still unclear whether territorial integrity will include the territories under dispute. There has been lack of consistency in Beijing position in this regard, for example, China's foreign ministry spokeswoman, Hua Chinying, stated on 26 April 2013 that the disputed Diaoyu Islands is within the concern of China's core national interests (New York Times, 2013). On the case of South China Sea, so far there is no official public statement that it is a part of China's core interests despite various assumptions made by the western. This ambiguity could give China flexibility to manage the dispute and a room for ill-coordinated actions by various Chinese government involved.

The second challenge faced by China in maintaining a balance between the contradictory foreign policy agendas is the realization that China still remains dependent on a stable external regional environment which is critical to China's domestic development. When Beijing proposed the 'peaceful rise' policy in 2004, it was facing a relatively benign external environment due to US wars in Iraq and Afghanistan. From the wars, China gained strategic opportunity and space to expand its influence in

the region and enjoy a conducive environment for its domestic development. But when the US used ‘rebalance to Asia’ strategy since 2010, China’s external strategic environment has substantially changed. The ‘rebalance’ strategy is believed to be used to contain China’s growing influence in the Asia Pacific. This condition gives the new Chinese leadership to face greater challenge than their predecessors. Many Chinese analysts have perceived that US ‘rebalance to Asia’ encouraged countries like the Philippines, Japan, and Vietnam to take more provocative actions in their territorial disputes with China (Zhang, 2015).

The ‘new type of great power relationship’ strategy proposed by China is expected to have US recognizes China’s “core interests”. However, traditionally, the US policy makers usually have no interest in embracing a new geopolitical framework offered by another country. By accepting the concept proposed by China, it will not only imply that the US will take a backseat role in their bilateral relationship, but also suggest that the US recognizes itself as a declining country. The Washington views that the concept proposed by Beijing might be a “trap” for gaining official American recognition of its disputed territorial claims in the East and South China Sea. The Washington is also taking account of its allies in the Pacific and she prefers not to risk upsetting the stability and security in the region for a stronger partnership with China. Therefore, if Beijing seeks Washington’s endorsement of the concept, it needs to adopt real changes in its behavior to show a commitment in maintaining the stability and prosperity in the region (Li & Xu, 2014).

The third and perhaps the most fundamental challenge faced by Xi’s leadership is China’s own ‘power deficit’. Despite the country’s rising economic prowess and military power, China has limited capabilities in shaping the external environment and influencing the behavior of other countries. According to a political science and international affairs professor, David Shambaugh, China neither possesses the much-needed soft power to influence the behavior of the surrounding countries, nor does it have sufficient strategic capabilities to be a trusted security provider in the region (Shambaugh, 2014). To counter this condition, it is not surprising that China still pushes trade

and economic initiatives as her main instrument of Chinese diplomacy. It is evidenced in her recent efforts to build a ‘community of common destiny’ by building the ‘Silk Road Economic Belt’, the ‘Maritime Silk Road’ and the largely China-financed AIIB in the region (Zhang, 2015).