



IFRI - OCP Policy Center Joint Seminar series

La chine en Asie : Quels objectifs sous Xi Jinping?

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REGION: OFFICIALLY PRESENTED AS A PRIORITY UNDER XI

- PERIPHERAL DIPLOMATIC WORK CONFERENCE (Oct. 2013),
- 1st. high level conference on this theme in CN
- 1st. Major FP conference since 2006 Foreign policy work conference.
- MULTIPLICATION OF BI/MULTILATERAL MEETINGS WITH NEIGHBORING COUNTRIES
- CONCEPTS OF "maritime silk road" and "silk road economic belt".
- Not new concepts: "silk road", "neighborhood policy" mentioned under Hu / Think tank research previously launched.
- ACCELARATION OF RHYTHM of visits/meetings/declarations.



Existing concepts, EXISTING MOTIVATIONS...

Opening-up of inland provinces

- Through cross-border economic integration
- In addition to industrial transfer from Western to Central/Eastern provinces.
- E.g.: Yunnan/Guangxi as a bridge to South East Asia, Ningxia as a bridge to the "Arab states and the Islamic world", etc.
- => Trying to open poor/remote provinces by all means, seizing any opportunity
- => Development inequalities not reduced under Hu
- => Urgent needs to open-up poor provinces under Xi

"Reinforcing trade and investments" between CN and its neighbors.

• Official aim: China-Asean trade to reach US\$1 trillion by 2020 (\$400 billion in 2012).

Existing concepts, EXISTING MOTIVATIONS...

Trans-border economic diplomacy existing under Hu, accelerated under Xi:

- Creation of new economic "corridors" in all directions.
- E.g: projects CN-Pakistan economic corridor (Li visit, May 2013); Bangladesh-CN-India-Myanmar corridor (Xinhua, Dec. 2014), etc..

 Multiplication of cross-border construction projects: focus on transportation infrastructures / communication networks (airports, roads, railways, ports -Pakistan, Sri Lanka, Bangladesh...)

- Alternatives to maritime routes (shorter transportation of CN goods to EU).
- 'Infrastructures dvpt-access to resources:model from Africa to Central Asia?

• Creation of "Asian Infrastructure Investment Bank" (call by XI, APEC, Oct. 2013)

ADDITIONAL MOTIVATIONS

Domestic economic dvpt top driver of CN regional policy. + other motivations:

Energy security

- Ongoing strategy of diversification of supplies
- Top objective of XI visit, sept. 2013, in 4 central Asian countries: energy cooperation. Major investments projects in Kazakhstan

Counter-terrorism

- Reinforcing ties with Xinjiang neighbors Kazakhstan, Kyrgyzstan, Tajikistan: mix of domestic economic, political and security objectives.
- Cooperation to prevent terrorism acts.

Broader security objectives of CN – Central/South Asia cooperation:

• In preparation of NATO troops departure from Afghanistan.

=> Region as a priority : concentration of security, energy, economic interests.

MORE PROACTIVE REGIONAL POLICY

- Soft + hard moves
- Soft: economic diplomacy, "seduction" strategy
- Hard: tit-for-tat moves vis-à-vis Japan- territorial dispute, East + South China Seas.
- ✓ ADIZ (Nov. 2013)
- ✓ Equivalent of an ADIZ for fish (Jan. 2014 waters of South China Sea, requiring foreign fishing vessels to seek permission)
- ✓ Oil rig in a contested area of the South China Sea (May 2014 guarded by CN vessels), etc.
- ...in sharp contrast with Deng "low profil" foreign policy approach => **Does China has a clear-cut strategy in the region?** Strategy behind moves in China Seas?

• Ambiguity #1: relation between "soft" economic diplomacy and harder moves on territorial disputes?

- Ambiguity #2: concrete implementation of the "new silk roads" project?
- Short term implementation? Except focus on transportation infrastructures?
- Still unclear : 1) for China 2) for neighbors directly targeted.
- How to avoid rising CN/Russia competition in Central Asia?
- Securing the roads? (Central Asia)

Ambiguity #3: weight of affect/historical resentment on FP decisionmaking process <u>under Xi Jinping</u>?

- Varying according to the issue at stake
- On some flashpoints (e.g. Diaoyu/Senkaku), resentment so strong that economic interdependence not able to stabilize tensions anymore?
- **Pragmatism** still guiding CN foreign policy in general terms
- General belief that under previous decades/dynasties, CN was occupying an international/regional status **not in line with its long history, culture**,...
- Historical resentment: frequent references to the hundred years of humiliation, Opium wars, etc. under Xi. Opening of new memorial, museum, page of 2WW not turned... => Xi: "Great revival of the Chinese nation" by 2050.

Weight of affect/historical resentment on FP decision-making process under Xi Jinping?

- "Great revival", not new, a silent hope...
- ...becoming official aim under Xi: CN now has the means (economic, financial, etc.) to support such revival.
- Rising confidence since 2008 crisis.
- "Favorable" context: new economic balance of power in the region, region under restructuring
- => Belief: now **appropriate time** to consolidate CN's regional power status + Belief: CN foreign policy was too passive/too generous under Deng.

Intentional and unintentional ambiguities:

•Traditional belief in **opacity as a strategic asset**

• Belief eco. diplomacy and firm territorial moves can be conducted concurrently/independently, the later not impacting the former given size of CN FDI, attractiveness of CN market, etc... (*TBC – general fieldwork perception*)

Unintentional...

- Institutional obstacles to strategic planning (Xi calling for "coordination of diplomatic work", "top-level design", Oct. 26th, 2013)
- <u>Underassessment</u> of communication and strategic impacts of hard moves

"China needs to use the international communication standards to explain its foreign policy better. So far, we have failed. We are not used to these standards".

STRATEGIC ADVANTAGES OF SENDING MIXED MESSAGES?

- Soft + hard moves: CN sending mix messages.
- Ambiguities.

Counter-productive?

- Communication: more weight to the "China threat" thesis.
- Strategy: reinforced cooperation US allies in Asia (India – US- Japan / JP-SE Asian countries, etc.)

Productive?

- Remaining flexible/adaptive in a region undergoing restructuring to position itself / seize opportunities faster than rival
- A changing context: US/ JAPAN also readjusting their FP in the region
- Remaining ambiguous may disturb strategic planning of neighbors
- E.g. rumors on CN ADIZ above SCS after the one above ECS (Nov. 2013), "surprise" of oil rig in SCS (May 2014).

REINFORCED CN/US REGIONAL COMPETITION

CN trying to establish **new regional balance of power with the US** ("*New type of great power relationship*") at several levels:

- Security/Strategic competition => asymmetric catch up wit the US?
- "strong navy", able to "fight and win war"

• Trade competition: TPP/ RCEP. + CN Negotiating FTA with a maximum of country in the world, in the region (focus on East/SE Asia)

- Monetary competition: expand the scale of the use of RMB in the region
- Internationalization of RMB > Regionalization:
- •=> cross-border trade settlement in RMB

•=> bilateral currency swap with neighboring countries (ROK, Malaysia, Indonesia, Singapore, Mongolia, Kazakhstan, Thailand, Pakistan, etc. since 2008)

REINFORCED CN/US REGIONAL COMPETITION

Institutional competition:

• CN trying to reinforced its participation to existing regional institutions & forums (ASEAN+3, APEC, etc.)

- And create or refresh institutions in which it could play a leading role.
- E.g.1: AIIB
- E. g.: CICA (Conference on Interaction and Confidence-building measure in Asia)
- 20 + participants, US and Japan not included.
- Xi 4th CICA edition, May 2014: 'Asian countries to solve their own problems'
- Forging an "Asian Community of Common Destiny" (MFA, 2014)

⇒Competition or more frontal rivalry? US-CN relations not stabilized.
⇒Diverging views among CN policy-makers/analysts.

CONCLUDING REMARKS

- MULTIPLICATIONS OF INITIATIVES/MOVES in the region
- China's foreign Policy MORE PROACTIVE in the whole Asia-Pacific region, from Central Asia to the China Seas
- Willingness to counter US influence in the region
- CONTINUITY OF SOFT+ HARD MOVES
- No political will nor institutional ability to coordinate a homogeneous regional policy (regional policy still under construction, diversity of interests and flashpoints to manage in the region)
- A slow strategic design to emerge by the end of Xi's era (2022)?
- STRONG GEOGRAPHICAL HIERARCHY OF FP PRIORITIES
- Beijing closely following most flashpoints beyond the region (Syria, Ukraine)
- Increased participation in prevention/peace-keeping operation
- But leadership role first of all at regional level.