Introduction by François Godement

China has just announced a host of new projects to be carried out under the banner of the Silk Road, an initiative first launched by Xi Jinping in 2013. These projects amount to a giant push by China into its Asian neighbourhood. Because of its scope, the plan has been met with the sort of scepticism initially raised by Pudong, Shanghai’s new zone of the 1990s. But, just as Pudong succeeded where some expected it to fail, this project may too: China’s deep pockets and its infrastructure firms’ experience have the potential to make the vision real, barring unforeseen geopolitical obstacles.

This special issue of China Analysis concerns the geopolitical underpinning of China’s new outward-looking economic policy. It documents, through examining the writing of some of China’s best-known international relations specialists, the shift in foreign policy that has caused Xi Jinping’s government to prioritise China’s neighbourhood again. The authors here represent a broad (although not complete) spectrum of opinion from within Beijing’s expert community (from which Zheng Yongnian, a scholar from the People’s Republic of China who lives in Singapore, should perhaps be excepted). Wang Jisi, the dean of the School of International Studies at Peking University, is usually considered to be a realist with liberal tendencies; he has been more outspoken than most on the deficiencies of China’s soft power. Yan Xuetong, the leading international relations scholar at Tsinghua University, can be described as an assertive realist: he has, for example, advocated for China adopting alliance policies rather than...
Our sources point to several new policy principles that China should adopt. China is right to recognise that diplomatic efforts must be made within the neighbourhood and should make this its first priority. It has to accept that Japan is a US ally and therefore unlikely to be won over. Thus, Japan will remain the object of long-term competition. China also needs to focus on its economic leverage and try to deploy a “win-win” strategy rather than trying to utilise hard power or soft power – a priority which echoes Xi Jinping’s call for the country’s neighbours to “free-ride” on China’s economic development.

These sources indicate that China’s new policy has the potential to reduce disputes within China’s community of policy experts. This follows on from some of the conclusions reached a year ago at a policy roundtable sponsored by the China Institutes of Contemporary International Relations (CICIR), China’s track one-and-a-half geopolitical think tank. The new consensus, which does not preclude longer-term confrontation with the US and Japan, offers the region an economic approach instead of the dispute-based actions of recent years. Strikingly, nothing has been said about dispute resolution, which suggests that neighbours are meant to reciprocate by lowering the profile of their expectations and claims. Therefore, this consensus will still leave out more liberal Chinese viewpoints. But it is also likely to constrain more aggressive expressions such as those featured in some official outlets such as the Global Times.

This foreign policy shift can only be for the better, although one thing must be remembered: President Xi Jinping has the capacity to “turn on a dime”, and he can make others follow his turnaround – suggesting that there is no policy that cannot be overturned, should he deem it necessary.

1. China’s foreign policy: Prioritising the neighbourhood

Antoine Bondaz

Sources:

Jin Canrong, “We are only the United States of 1872”, Caijing Wang, 29 December 2014.


Yan Xuetong, “In China’s diplomacy, the ‘periphery’ is more important than the United States”, Huanqiu Shibao – Global Times, 13 January 2015.


During Xi Jinping’s visit to Washington in February 2012, the Chinese president coined the term, a “new type of great power relations” (新型大国关系, xinxing daguo guanxi). Ever since then, both American and Chinese scholars of international relations have mostly focused on China’s relations with the United States. However, in November 2014, Xi made a speech at the Chinese Communist Party’s Central Conference on Work Relating to Foreign Affairs (中央外事工作会议, Zhongyang waishi gongzuohui). In the speech, the president laid out a seemingly new order in China’s diplomatic objectives. He spoke of prioritising the promotion of neighbourhood diplomacy over the management of relations with other major powers. In spite of what some commentators believe, this focus on neighbourhood diplomacy is not a new departure; in fact, it merely indicates a renewed emphasis on an existing principle. It speaks to the concerns put forward by Wang Jisi as early as 2012, when he wondered how China could be more powerful yet feel less secure. The answer, he said,
was the weakness of China’s policy towards its neighbours.

The authors selected here represent different schools of thought, but they all agree that China must be realistic in its diplomacy.6 Above all, China must avoid falling into a Thucydides trap: a situation in which a rising power, in this case China, inspires fear in an established power, in this case the US, which eventually leads to open confrontation. China’s relations with the current superpower, the US, and its closest ally, Japan, cannot for structural reasons improve past a certain threshold. Therefore, China must focus its efforts where they can be most effective: that is, it must work to improve its relations with its neighbours. The best strategy to sustain China’s rise is thus to develop its neighbourhood diplomacy. The new Silk Roads projects will be the key to achieving this objective.

The Chinese century has not yet arrived

The International Monetary Fund may have declared China the world’s number one economic power, but the authors argue that their country is still a long way from equalling the US.7 They believe that the US is still the world’s only superpower and that China has no intention of entering into open competition with it for leadership. This seems supported by Vice-Prime Minister Wang Yang’s remarks at a China-US trade forum in Chicago in January 2015; Wang said that “it is the United States that leads the world. […] China does not have any ideas or capabilities to challenge the leading role of the United States”.

Jin Canrong says that the world has not yet entered a Chinese century that would replace the American century. If China can be compared to the US, Jin believes, the only reasonable comparison is to the US in 1872, when for the first time the US economy exceeded that of the United Kingdom. However, at that time, the US was not a full global power. The British Empire remained at the top of the international hierarchy until World War I, and it was only after World War II that the US “assumed” (承当, chengdan) global leadership and set about shaping the political and economic order under which we still live. In the same way, despite what the figures say, the US still “dominates” (主宰, zhuzai) the world. And since China cannot yet produce global public goods – such as regional stability and security in the Middle East – the international community cannot expect China to lead the world.

Yan Xuetong agrees with Jin Canrong. He talks about China in terms of its “comprehensive national power” (综合国力, zonghe guoli), a concept that he helped to devise while working at the China Institute of Contemporary International Relations in the 1990s. Comprehensive national power offers a metric to evaluate relative power between countries and includes political, military, economic, and cultural strengths. Yan says that, although China now has global economic strength, its other forms of power are too weak to enable it to become a true comprehensive global power. The world is tending towards economic bipolarity, but the US remains the single pole of strategic, military, and political strength. More important even than the fact that the US is the world’s largest military power, American soft power remains unrivalled, making it the only power that can present a model to influence the ideas of other countries.

Wang Jisi discusses some of the internal contradictions that limit China’s power. China is the world’s fastest developing country, but it still lags far behind developed countries. China’s influence is spreading around the world, but China does not have a dominant position in Asia – the US is still the leading force on the continent. China has a unique political system and ideology, but it has failed to spread its values and model. China is benefiting from the international political and economic order, but it has not been able to reform a system that was designed by the West.

Accepting competition, avoiding conflict

The US remains the only superpower, but China’s rise is “unstoppable” (不可阻挡, buke zudang). Both Wang Jisi and Yan Xuetong argue against the “China threat theory” (中国威胁论, Zhongguo weixielun), saying that China presents no danger to world peace and that war between the two great powers is not in the offing.

Their argument runs counter to the theory of systemic war and the so-called Thucydides trap. The Thucydides trap has it that a power transition between a rising power and an established dominant power often leads to systemic war.8 But both Wang and Yan criticise historical determinism and say that China’s path is not predefined. Wang Jisi says that great powers can learn from past mistakes, as has been shown by the example of Germany since 1945. In this, he echoes the ideas of Zheng Bijian, veteran advisor to the Chinese leadership, who put forward the idea of China’s “peaceful rise” (和平崛起, heping jueqi) in 2002, a paradigm that was later adopted by Chinese officials.9

10 Yan Xuetong is considered to be a realist; he calls himself a moral realist. Wang Jisi is known as a liberal. Jin Canrong positions himself somewhere in between. These three scholars also represent the three Chinese universities most famous for international relations.


14 Zheng Bijian’s first mention of this concept in English was...
China should prioritise its relations with its neighbours, because a great power needs the support of its neighbouring countries in order to rise.

Yan too references Zheng’s idea, contesting the likelihood that China will engage in a “forceful rise” (武力崛起, wuli jueqi). Last year, in a debate organised at Tsinghua University with US realist scholar John Mearsheimer, who has said that the risk of systemic war is inherent in China’s rise, Yan said that China will not emulate the nineteenth-century US strategy of “violent expansion” (暴力扩张, baoli kuozhang) and continental conquest in the Western hemisphere.\(^{15}\) Yan believes that the best strategy for China is non-confrontation.

However, China still faces a “rise dilemma” (崛起困境, jueqi kunjing): competition between the rising power, China, and the dominant power, the US, is inevitable. Yan and Wang agree that China must accept that it will be difficult to make any great improvements in its bilateral relations with the US. Strikingly, both scholars extend their analysis of the structural competition between the two powers to the country that they see as the US’s closest ally: Japan. Wang Jisi is a liberal, who was close to Hu Jintao and who advocates peaceful development. But he says that China–Japan relations have deteriorated to an unprecedented degree, and he sees no room for compromise in either country on the disputes between the two. China considers the issue to be territorial integrity and national pride, whereas Japan, facing economic stagnation at home and concerned about the rise of China, is cultivating popular nationalism. Wang says that China should be as vigilant towards Japan as it is towards the US.\(^{16}\) Yan says that no matter what strategy the US follows in Asia, China and Japan will remain structural competitors.

**China’s neighbourhood strategy**

To respond to this inevitable competition with the US and Japan, Zheng Yongnian says that China should adopt a “two-pronged approach” (两条腿走路, liang tiao tui zoulu). It should establish new great power relations with developed great powers, and at the same time, it should improve its relations with developing and neighbouring countries. Yan says that China should prioritise its relations with its neighbours, because a great power needs the support of its neighbouring countries in order to rise. This echoes the position of Li Yonghui, the director of the School of International Relations at Beijing Foreign Studies University, who said in late 2013 that rising powers need a friendly periphery, which he called a “strategic periphery belt”.\(^{17}\)

Yan says that the Chinese diplomatic motto is: “great powers are the key and periphery is the priority” (大国是关键, 周边是首要, daguo shi guanjian, zhoubian shi shouyao). He believes this formulation is ambiguous as to which should rank first in China’s diplomacy. But, he says, Xi Jinping’s speech last November cleared up the confusion, making it clear that the neighbourhood is China’s main concern. Yan says that improving relations with China’s neighbours can not only enhance China’s strength but also weaken the US’s position, since the US’s rebalancing strategy in the Asia-Pacific region can only be implemented with the help of the US’s East Asian allies. Therefore, neighbourhood diplomacy should be China’s top priority, just as the US focused on Latin America with the Monroe Doctrine (1823). However, he adds, “China’s periphery” (中国周边, Zhongguo zhoubian) should be restricted to China’s direct neighbours in Asia. It should not include a “great periphery” (大周边, dazhoubian), taking in South America or the Middle East, or else China will be at risk of “excessive expansion” (过度拓展, guodu tuozhan). This is the same concept famously described by US historian Paul Kennedy as “imperial overstretch” and considered one of the reasons for the Soviet Union’s collapse.

Yan points out that China’s neighbouring countries are directly affected by its rise. In security terms, China’s neighbours experience both positive and negative results from China’s growing strength. As part of the Shanghai Cooperation Organization, Russia and the Central Asian countries benefit from China’s increased military capacities. However, countries with which China has territorial disputes perceive China as a growing security threat. China must reassure its neighbours, assume greater responsibility for international security, and provide more security guarantees to its partners. In advising China to be more proactive in regional security, Yan is directly challenging the principles of non-alignment. However, he is optimistic about the prospects for improving relations and dealing with territorial disputes, breaking with his own past assertiveness as well as that of mainstream Chinese scholars.\(^{18}\) He even believes that it would be possible to

---


18 In some of his articles in 2014, Yan Xuetong said that China should clearly identify its allies/partners and its enemies/competitors in order to better adapt its foreign policy, allowing it to help its partners and sanction its competitors using its economic
improve relations with US allies (aside from Japan) because some US allies, such as Thailand and South Korea, have already adopted friendly policies towards China.\(^{19}\)

On the economic front, China’s development has already benefited all of its neighbours. In 2014, China was the largest trading nation and a net capital exporter of outbound direct investment. And China’s trade and investment are mostly concentrated in Asia.\(^{20}\) This means that China’s neighbours are enjoying the dividends of China’s rise. Yan and Zheng believe that China wants to do even more than passively benefit its “freeriding neighbours”.\(^{21}\) To do so, it has launched the “Silk Roads” projects. They fit in with Yan’s idea of building a “community of destiny” (命运共同体, mingyun gongtongti) with China’s neighbours, a notion that Xi Jinping has also put forward.

The Silk Roads projects began with Xi’s presentation of three new regional cooperation networks in autumn 2013: the “Silk Road Economic Belt with Central Asia” (中亚丝绸之路, Zhongya sichou jingji zhilu), the “Maritime Silk Road with Southeast Asia” (东南海上丝绸之路, Dongnan haishang souchou zhilu), and the “South Asia Economic Corridor” (南亚的经济走廊, Nanya de jingji zoulang) that would link China with Burma, Bangladesh, and India.

The four authors say that these projects are aimed at promoting economic development in neighbouring countries so as to better share China’s economic gains. Indeed, the wealthier the countries around China, the more sustainable China’s development will be. In order to achieve this goal, China should continue to offer unconditional assistance to all of its neighbours, regardless of their ideology or alliances. This approach, Zheng notes, stands in contrast to the Western model of assistance based on conditionality.

Yan believes the Maritime Silk Road is the most important of the three projects. The Silk Road Economic Belt in Central Asia is aimed at consolidating China’s “strategic rear” (战略后方, zhanlüe houfang), in a region where both economic development potential and traditional security threats are already low. But the Maritime Silk Road concerns the central area of China’s rise. If China is to counter the US’s regional influence, investment and involvement in Southeast Asia is more urgent and offers more strategic benefits than in Central Asia.

**Conclusion**

Yan and Zheng challenge the Chinese policy of “keeping a low profile” (韬光养晦, taoguang yanghui), and advocate a more proactive Chinese foreign policy. However, none of the four authors think that China should become more assertive. On the contrary, Yan and Wang, though they represent the two main competing schools of thought in international relations in China, both believe that China must rely on “moral realism” (道义现实主义, daoyi xianshi zhuyi) or establish a “moral model” (道德典范, daode dianfan) if it is to reassure its allies and thus build leadership. Eventually, Yan Xuetong says, China should adopt a “benevolent diplomacy” (王道, wangdao), an idea that he draws from ancient Chinese strategic thinking – which he has been trying to rehabilitate for quite some time now at Tsinghua University.\(^{22}\)

---

\(^{19}\) Antoine Bondaz, “Yan Xuetong remet en cause le non-alignement de la Chine”, *China Analysis*, Asia Centre, June 2014.

\(^{20}\) China’s Vice Foreign Minister Liu Zhenmin insisted in 2014 that China’s trade with Asian countries has outpaced trade with the developed countries (the US and the European Union) and that half of China biggest trade partners and 70 percent of Chinese investments are located in Asia. He says that “Asia’s development is inseparable from China, China’s development is inseparable from Asia”. Liu Zhenmin, “China’s strength contributes to stability and prosperity in Asia”, *Renmin Ribao*, 28 April 2014.

\(^{21}\) On 22 August 2014, in a direct response to US President Barack Obama’s *New York Times* interview in which he said China had been a free riding country for the last 30 years, Xi said that he would “welcome any state that wanted a free ride on China’s rapid economic development” (欢迎大家搭乘中国发展的列车, huanying dajia dacheng zhongguo fazhan de lieche), turning the concept into a positive one. For more on this China-US debate, see Marc Julienne, “The US vs. China: Ideological conflict in Iraq” in *China Analysis: China and Global Crises: the Culture of Reluctance*, European Council on Foreign Relations, October 2014, available at http://www.ecfr.eu/publications/summary/china_and_global_crisis_the_culture_of_reluctance322.

About the authors:

Antoine Bondaz is a PhD candidate in Political Sciences and International Relations at Sciences Po Paris, his research focus is China's strategic thinking and security issues in the Asia-Pacific region, he can be reached at a.bondaz@centreasia.eu.

Francois Godement is a senior policy fellow and head of the China & Asia programme at the European Council on Foreign Relations, and an associate researcher at Asia Centre, he can be reached at francois.godement@ecfr.eu.

Agatha Kratz is the chief editor of China Analysis, she can be reached at a.kratz@centreasia.eu.

About Asia Centre:

Asia Centre, founded in August 2005, conducts research and organizes debate on international relations and strategic issues, as well as on the political and economic transformations in the Asia-Pacific; promotes cooperation and second track dialogue with partners in Asia, Europe and the world; publishes timely information and analysis from the region, executive briefs and reports from our research team.

Asia Centre programs cover the prevention of conflicts and regional integration, the challenges of democracy and governance, globalisation and national strategies, energy, proliferation and sustainable development. They also draw contributions and viewpoints from research associates and a network of research institutions.

www.centreasia.eu
ABOUT ECFR

The European Council on Foreign Relations (ECFR) is the first pan-European think-tank. Launched in October 2007, its objective is to conduct research and promote informed debate across Europe on the development of coherent, effective and values-based European foreign policy.

ECFR has developed a strategy with three distinctive elements that define its activities:

• **A pan-European Council.** ECFR has brought together a distinguished Council of over two hundred Members – politicians, decision makers, thinkers and business people from the EU’s member states and candidate countries – which meets once a year as a full body. Council Members provide ECFR staff with advice and feedback on policy ideas and help with ECFR’s activities within their own countries. The Council is chaired by Carl Bildt, Emma Bonino and Mabel van Oranje.

• **A physical presence in the main EU member states.** ECFR, uniquely among European think-tanks, has offices in Berlin, London, Madrid, Paris, Rome, Sofia and Warsaw. Our offices are platforms for research, debate, advocacy and communications.

• **A distinctive research and policy development process.** ECFR has brought together a team of distinguished researchers and practitioners from all over Europe to advance its objectives through innovative projects with a pan-European focus. ECFR’s activities include primary research, publication of policy reports, private meetings and public debates, ‘friends of ECFR’ gatherings in EU capitals and outreach to strategic media outlets.

ECFR is a not-for-profit organisation supported by a range of donors. Our work would not be possible without the generous support of these donors allowing us to publish our ideas and advocate for a values-based foreign policy for Europe. The analysis and the recommendations in our publications are independent and are not influenced by our donors.

www.ecfr.eu

This issue of China Analysis was produced with the support of the Calouste Gulbenkian Foundation and Stiftung Mercator.

www.gulbenkian.pt
www.stiftung-mercator.de