

# **CHINA**CHINA

# GRAND DESIGNS: DOES CHINA HAVE A 'GRAND STRATEGY'?

# **ABOUT**

The Chinese have long been obsessed with strategic culture, power balances and geopolitical shifts. Academic institutions, think-tanks, journals and web-based debates are growing in number and quality, giving China's foreign policy breadth and depth.

China Analysis introduces European audiences to these debates inside China's expert and think-tank world and helps the European policy community understand how China's leadership thinks about domestic and foreign policy issues. While freedom of expression and information remain restricted in China's media, these published sources and debates provide an important way of understanding emerging trends within China.

Each issue of *China Analysis* focuses on a specific theme and draws mainly on Chinese mainland sources. However, it also monitors content in Chinese-language publications from Hong Kong and Taiwan, which occasionally include news and analysis that is not published in the mainland and reflects the diversity of Chinese thinking.

#### Intoduction

by Angela Stanzel

Do China's leaders have a strategy for the long-term direction of their country? For a while now Chinese thinkers have been discussing this very question, even speaking about the parameters of an all-encompassing "grand strategy" (大战 略 da zhanlue) for China.

As early as 2011, one of China's leading thinkers, Wang Jisi, Dean of the School of International Studies at Peking University, wrote that any country's grand strategy must, at the very least, answer what the nation's core interests are, what external forces pose a threat, and how the leadership can safeguard its interests. Wang, however, also noted that: "Whether China has any such strategy today is open to debate" and that "(...) the Chinese government has yet to disclose any document that comprehensively expounds the country's strategic goals and the ways to achieve them." <sup>2</sup>

The discussion has evolved since then, and as of today the Chinese debate on what a "grand strategy" should look like has produced policy directives, statements, and theories but so far no authoritative formula has been communicated from the very top. This is what makes the ongoing discussion so interesting.

<sup>&</sup>lt;sup>1</sup> Wang Jisi (王维思), "China's Search for a Grand Strategy", Foreign Affairs, March/April 2011, available at https://www.jstor.org/stable/25800458?seq=1#page\_scan\_tab\_contents.

<sup>&</sup>lt;sup>2</sup> ibid

Chinese scholars largely agree that China needs a grand strategy that binds its strategic interests in the economy, domestic politics and its foreign policy. Debates within China largely revolve around the essential questions Wang Jisi posed in 2011. How should China's future economic, foreign policy, and military strategies be framed in a more general sense, and how might that serve to also protect the nation's interests and security from external threats? Not surprisingly, the question comes up repeatedly, including questions about what role the US, as China's most important partner – and threat – might play in China's "grand strategy".

Cai Tuo, a scholar from the China University of Political Science and Law, recalls in an article on China's grand strategy that this topic became subject to an intensive debate among Chinese intellectuals around 2005, six years before Wang Jisi raised it.<sup>3</sup> Among other writings he points to the Peking University's annual Review of China's International Strategy as one of the most influential sources of contributions to this debate.<sup>4</sup>

In recent years, in particular since Chinese president Xi Jinping came into power in 2013, China has undergone many internal changes, as has the international landscape. Therefore one might expect an even more intensive debate among Chinese scholars on the future of Chinese strategy. Surprisingly, though, the topic of grand strategy is surpassed by reams of academic literature about the economic and political aspects of China's "New Silk Road (resp. Belt and Road) Initiative" (BRI). BRI also includes a maritime component, which links it to China's maritime strategy.

This China Analysis edition deals offers insights into Chinese debates on the strategies behind the BRI and in the maritime sphere; on how China's global standing might have changed, and what role the United States plays today in the Chinese imagination, especially with Donald Trump as president.

### Shaping the debate: China's low profile and peaceful rise

Discussions concerning China's strategy evolved with Deng Xiaoping initiating the reform and opening-up period in China at the end of the 1970s. Deng saw the need for China, as a developing country, to focus on economic development and domestic priorities and therefore to open up towards foreign relations as well as within multilateral institutions. Therefore, Deng advocated for China to keep a low profile in international affairs ( 韬光养晦 tao guang yang hui). This proved the basis for other strategic concepts that were developed after for a long time.

During this phase China also introduced a new concept of security, which was first articulated in 1997 and seen as "one of the most important developments in Chinese security thinking in the post—Cold War era", according to Chu Shulong, director of the Institute of International Strategic and Development Studies at Tsinghua University and a member of the CSCAP China National Committee. Chu argues that China advocated a new security concept "in order to undermine the American military presence in Asia and the U.S.-Japan security alliance (...) because China's new security concept does stand against the 'old thinking' represented by military blocs." In Chu's view it also "reflects China's search for a (...) regional security arrangement for the Asia-Pacific region for the future." §

As a result, China endorsed multilateralism and focused on improving relations with neighbouring countries. This development has been visible in China's diplomatic efforts, for instance to improve ties with the Association of Southeast Asian Nations (ASEAN) member countries or to establish the Shanghai Cooperation Organization (SCO) in 2001. The fact that China also took a central role in the Six Party Talks in the early 2000s to tackle the North Korean nuclear weapons issue might have had other objectives, but it fit well into the overall pattern of a stronger China engaging its neighbours.

China's improving regional relations, its increasing participation in multilateral forums, and its integration into world economic fora, accelerated by its accession to the World Trade Organisation (WTO) in 2001, has offered a opportunity for Beijing that by was seen by some thinkers as possessing strategic value. Party General Secretary Jiang Zemin in 2002 said: "The first two decades of the 21st century are a period of important strategic opportunities", which China should seize. China did indeed seize many opportunities to further

Chinese leaders saw the need to put in place a "grand strategy" during the mid-1990s, according to Avery Goldstein, Professor of Political Science at the University of Pennsylvania and Senior Fellow at the Foreign Policy Research Institute in Philadelphia.<sup>5</sup> According to his view, Chinese leaders saw the need for a wider-ranging strategic concept due to changes in the international environment, the post-Cold War world order, and the West's sanctions against Beijing following the Tiananmen Square massacre. China's own domestic development following its reform and the opening-up process also motivated the need for a broader strategy. In Goldstein's view, China aimed for a grand strategy with the broad aim "to facilitate China's rise by reducing the likelihood its growing capabilities will alarm others or provoke them to oppose China".<sup>6</sup>

<sup>- 3</sup> Cai Tuo (蔡拓), "About China's grand strategy" ("中国大战略刍议"), "International Observations" 2006 (载《国际观察》2006年第2期).

<sup>4</sup> International Institute for Strategic Studies, Peking University, International Strategy Research Series《大战略研究丛书》,available at http://en.iiss.pku.edu.cn/about/brief/

<sup>5</sup> Avery Goldstein, "Rising to the challenge - China's Grand Strategy and International Security", Studies in Asian Security Series, Stanford University Press, Stanford, 2005.

<sup>6</sup> Ibid.

<sup>7</sup> Chu Shulong, "China and the U.S.—Japan and U.S.—Korea Alliances in a Changing Northeast Asia", FSI Stanford University, June 1999, available at https://fsistanford.edu/sites/default/files/Chu\_Shulong.pdf.

<sup>8</sup> Ibid.

 $<sup>9\,</sup>$  Full text of Jiang Zemin's report delivered at the 16th National Congress of the

develop its economic ties around the world and continued to rise, economically, politically, and militarily.

To counter international concerns about China's rise, in 2003, under the leadership of Chinese president Hu Jintao, Beijing articulated a concept known as "China's peaceful rise" (中国和平崛起 zhongguo heping jueqi). It stressed Beijing's wish to develop in a peaceful international environment. Hu Jintao later (2004) toned down this term even further and henceforth Beijing would only speak of "China's peaceful development", instead of "rise".

This overall strategic direction prompted heated debate among Chinese scholars. Cai Tuo underlines the idea of basing a true grand strategy on China's peaceful rise, but also stresses the need to thoroughly assess and debate the goals, methods, and consequences of a rising China. Men Honghua advocates a grand strategy based on an assessment of the country's national interests and strengths, and also stresses that a grand strategy should make use of China's international environment as well as its national strategic resources (国家战略资源 guojia zhanlue ziyuan), which are political, economic, military and ideological in nature, and all of which should be employed to pursue China's main interest: to protect its national interests, security, and values. "

In the aftermath of the global financial crisis, when China had recovered from the shocks in its markets and the downturn of Chinese exports, the Chinese government saw the need to bolster the country's economic and social stability. Hu Jintao reflected on China's national needs in 2009 and broadly defined the country's core interests to centre on economic and social development, sovereignty (i.e. the Communist Party's political stability), and security (meaning territorial and national integrity). No doubt Hu wanted to leave his mark as a leader able to clearly articulate China's core interests.

However, despite Hu Jintao's efforts to outline those interests in simple terms, the debate continued. Wang Jisi remarked "defining China's core interests according to the three prongs of sovereignty, security, and development, which are sometimes in tension with each other, means it is almost impossible to devise a straightforward organizing principle." He noted "a variety of views among Chinese political elites", which "complicates efforts to devise any such grand strategy based on a political consensus."

In his study, Wang found "four changes in China's strategic thinking", which "may suggest the foundations for a new grand strategy." These "changes" include a more comprehensive understanding of security and transnational problems

(such as terrorism or piracy), a more multilateral and issueoriented Chinese diplomacy (such as on energy security or nuclear non-proliferation), a greater focus on social issues arising because of China's economic development, and greater attention to the "cultural soft power of the nation" (China's international image).

Since Xi Jinping came to power, Wang's "changes" seem to have informed China's new strategic thinking and practice. China today engages more in counter-terrorism efforts (nationally as well as internationally) as well as within multilateral institutions (it established another one of its own); it makes efforts to advance its economy further, and it tries to improve China's image abroad. Meanwhile, Beijing's foreign policy is more assertive than it ever used to be, implying that the times of keeping a low profile seem to be over.

Early on, after taking power, Xi Jinping described China's ambition as the "China Dream" to "resurrect" Chinese ancient power. This ambition stands in contrast to China's past claims that it wishes to pursue a course of "peaceful development". This ambition, however, does not yet mean that China has formulated its "grand strategy" or even an allencompassing foreign policy strategy. Shi Yinghong pointed this out in an ECFR piece in 2015, stating that China is just "beginning to come up with a grand strategy in its foreign relations". <sup>15</sup>

In an article in late 2016, Shi also criticises China for promoting a separate economic strategy and military strategy, which "may eventually run the risk of creating strategic overdraft" (战略透支 zhanlue touzhi), simply put, China might end up having too many strategies to be strategic. In his view, China's new strategic military concepts, its improved military capabilities, its competition with the US and Japan, and its assertive maritime policies, have damaged Beijing's soft power reach and increased the risk of a conflict springing up with the US or Japan.

Shi believes China needs to "first develop our own strength and capability" instead of engaging in massive and costly economic projects, such as its BRI scheme or the establishment of the AIIB." Both militarily and economically, China should be more cautious, Shi urges. Although, he says, the "emerging disorganization in the Western world (...) could be a strategic opportunity for China". But in order to profit from it, Beijing first needs to define its interests more narrowly and slow down its pace, otherwise "we might not be able to make use of the opportunities brought by the decline and disorganization in the West." <sup>18</sup>

Communist Party of China (CPC) on Nov. 8, 2002, available at http://en.people.cn/200211/18/eng20021118\_106983.shtml.

<sup>10</sup> Cai Tuo (蔡拓), "About China's grand strategy" ("中国大战略刍议"), "International Observations" 2006 (载《国际观察》2006年第2期).

<sup>11</sup> Wang Jisi, "China's Search for a Grand Strategy", Foreign Affairs, March/April 2011, available at https://www.jstor.org/stable/25800458?seq=1#page\_scan\_tab\_contents.

<sup>12</sup> Ibid.

<sup>13</sup> Wang Jisi, "China's Search for a Grand Strategy", Foreign Affairs, March/April 2011, available at https://www.jstor.org/stable/25800458?seq=1#page\_scan\_tab\_contents.

<sup>14</sup> Ibid.

<sup>15</sup> Shi Yinhong, (时殷弘), "China's complicated foreign policy", ECFR, 31 March 2015, available at http://www.ecfr.eu/article/commentary\_chinas\_complicated\_foreign\_policy311562.

<sup>16</sup> Shi Yinhong, "Amid Western uncertainties, China mustn't spread too thin", Global Times, 26 October 2016, available at http://www.globaltimes.cn/content/1013884.shtml.

<sup>17</sup> Ibid.

<sup>18</sup> Ibid.

#### Many strategies or one grand strategy?

China has yet to formulate a true "grand strategy" and the question is whether it wants to do so at all, or whether it wants to develop more and more concrete individual strategies, such as the indigenisation of its economy, the modernisation of its army, and the build-up of its blue-water navy, just to name a few. Many strategies do not equal one grand strategy but, taken together, they can reveal the broad strategic direction in which China is heading.

What has remained unchanged in China's strategies is that its calculations are closely tied to the US presence in the region and globally. The Chinese government's view on the US gives us an idea of China's aspirations. Xi Jinping in particular has been promoting a "new type of great power relationship", in which he sees China and the US in a "G2 world". Xi also proposed a "Chinese solution", in October 2016, to imply that China might have better solutions to regional or global problems than the US, or indeed any other country. The BRI and the establishment of the AIIB are already "solutions" China offers to improve global infrastructure and transportation. China's ambition to be a global power must therefore be seen in the context of its US policies.

In this edition of China Analysis authors grapple with questions in the Chinese intellectual community about China's place in the global order and the key parts of its strategy: the BRI and its maritime security.

Nadège Rolland, senior fellow at The National Bureau of Asian Research, explains why China's BRI is something akin to a "grand strategy" and how it reflects on China's overall long-term interests: "the achievement of China's unimpeded rise". Rolland introduces several Chinese authors that underline the strategic purpose of China's BRI scheme – to help China's geopolitical and economic rise. In the context of BRI, Chinese leaders have mobilised 'hard power' resources as well as 'soft power' assets, according to Rolland, and she further reflects on the debate in China on how BRI is reshaping China's foreign policy and diplomacy.

Jabin Jacob, a fellow at the Institute of Chinese Studies in Delhi, outlines China's thinking on maritime strategy, which, in his view, includes the BRI as well. He refers to the 2015 White Paper, which confirms that China's leaders are committed to "the idea of China as a maritime great power." Jacob believes that capabilities, actions, and narratives, are all important components of the project and are reflected in China's maritime grand strategy. He describes how these three components play out in the debate within China, such as in the Indian Ocean and the South China Sea, or on the relationship with its neighbours, such as Japan. Jacob further reflects on how Chinese scholars view the US both as an adversary and as a model in China's maritime strategy.

Melanie Hart, a senior fellow and director of China Policy at American Progress, offers insights into Chinese debates on where China believes it stands in the global order in light of Donald Trump becoming the new US president. She outlines competing views in China and points out that all scholars want to "see the US-China relationship as the center of global power". Chinese scholars, she notes, assume that the shifting global order, and the decline of the West (reinforced by Trump's polices) works in China's favour. But there is disagreement among Chinese scholars on the question of China's position vis-à-vis the US and whether China is ready to partner with the US in a G2 world. Hart, however, also points out that the "American decline" rhetoric might fade if China meets severe economic or security challenges.

Our authors have offered an insight into current thinking on some of China's most important strategic approaches today. Their insights show that the concept of a grand strategy is still very fluid in China and continues to develop. While it might be too simple to say that China will phrase its grand strategy according to whatever the US is doing, the apparent decline of the US under Trump has triggered a renewed debate on China's standing as a global power.

Whether this is the beginning of a renewed thinking on a grand conceptual strategy for China remains to be seen. Possibly the long-awaited Party Congress in October will indicate whether China has indeed departed from its peaceful rise and will launch a high profile and ambitious grand strategy.

# The Belt and Road Initiative: China's Grand Strategy?

Nadège Rolland

A grand strategy reflects the vision that a state has for itself and for its desired position in the international system. It is meant to shape the international environment in a way that benefits the state's long-term strategic objectives. It is a top-down approach, assumed to be sustained over a long period of time, and it seeks to mobilise and integrate all the available domestic resources and instruments of national power (not just military but also diplomatic, economic, financial, intellectual, cultural and political), in order to shape the international environment in ways that reflect the values of the state and serve its national interests.

The Belt and Road Initiative (BRI), launched by Xi Jinping in late 2013, perfectly matches this description. It is a long-term endeavour (supposed to come to fruition in 2049 for the 100th anniversary of the People's Republic of China), which combines all the elements of China's power and uses all its available advantages in order to produce a favourable outcome. China's economic actors, financial resources, state-owned enterprises (SOEs), diplomats, security experts, intellectuals, and media are all called to join the effort under the leadership's helm. In other words, BRI is a grand strategy, coordinating and giving direction to a large array of national resources to achieve a political objective, which Xi Jinping has defined as the "China Dream of the great rejuvenation of the nation" (中华民族伟大复兴 zhonghua minzu weida fuxing): the achievement of China's unimpeded rise.

#### Hard and soft power mobilised by the top

The BRI did not materialise out of the mind of Xi Jinping fully formed. Yet, as Fu Mengzi and Xu Gang note, it clearly bears the marks of a top-level design.20 Xi Jinping's "Silk Road Economic Belt" and "21st Century Maritime Silk Road", proposed during his state visits to Kazakhstan and to Indonesia in September and October 2013, gave the green light to the project. From then on, the entire Chinese administration has been mobilised and organised to flesh out and implement the leader's grand vision. The 3rd Plenary Session of the 18th Communist Party's Central Committee adopted the decision to move forward with the project in November 2013. In March 2015, the National Development and Reform Commission, the ministry of foreign affairs and the ministry of commerce jointly issued a roadmap under the form of a "Vision and Actions" document (推动共建丝 绸之路经济带和21世纪海上丝绸之路的愿景与行动 tuidong

gong jian sichou zhi lu jingji dai he 21 shiji haishang sichou zhi lu de yuanjing yu xingdong),<sup>21</sup> calling for all the central government ministries (education, science and technology, agriculture, water, etc.), as well as entities such as the People's Bank of China and the State-owned Assets Supervision and Administration Commission of China (SASAC), and the relevant organs at the provincial level, to introduce specific measures to promote and serve BRI. According to Fu Mengzi and Xu Gang the creation of a Leading Working Group for Belt and Road Construction, a top-level coordination mechanism led by vice premier Zhang Gaoli and four other high-profile co-chairs, "highlights the significant degree of attention given by the central leadership."

China has invested large amounts of its financial resources in Belt and Road countries, offering loans up to \$110 billion for more than 600 projects.<sup>22</sup> In 2016 alone, 61 countries signed industrial cooperation agreements with China.<sup>23</sup> Created to help fund BRI projects, the Asian Infrastructure Investment Bank (AIIB) has become the world's second largest multilateral development agency, surpassing the Asian Development Bank in its number of members.<sup>24</sup>

With BRI's great potential also come growing challenges. In the face of increasing risks to its overseas investments, it will be difficult for China to stick to its non-interference principle and to "maintain China's expanding overseas interests through peaceful diplomatic means in a complex and ever-changing situation".25 As Chinese overseas assets expand, security forces have been instructed to think about possible options in case a contingency plan is needed: all the relevant departments "are currently actively studying responses", which include possible army "support for the protection of overseas interests, the use of foreign security forces to strengthen intelligence research and analysis, the establishment of security operations systems, etc."26 Experts from the China Institutes of Contemporary International Relations (CICIR) further recommend, "deepening China's security cooperation with foreign governments" and "adding a specific security cooperation clause to bilateral trade and investment agreements". 27

In addition to China's 'hard power' resources, the leadership is also mobilising its 'soft power' assets. In order to tell "positive Chinese stories" about BRI, the relevant propaganda entities have been instructed to "strengthen international communication and public opinion guidance". CICIR

28 Ibid.

<sup>19</sup> For a discussion of China's national power, see Nadège Rolland, "China's National Power: A Colossus with Iron or Clay Feet?" in Ashley J. Tellis (Ed.) Foundations of National Power in the Asia Pacific, Strategic Asia 2015-16 (The National Bureau of Asian Research: Seattle, 2015), pp. 23-56.

<sup>20</sup> Fu Mengzi, Xu Gang, "Belt and Road: Progress, Challenges and Responses" ("一带一路": 进展、挑战与应对, "yidaiyilu": jinzhan, tiaozhan yu yingdui), Guoji wenti yanjiu, Vol. 3, 2017, available at http://www.cicir.ac.cn/chinese/News\_8198.html (hereafter, Fu Mengzi, Xu Gang, "Belt and Road: Progress, Challenges and Responses").

<sup>21 &</sup>quot;Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road", National Development and Reform Commission, 28 March 2015, available at http://en.ndrc.gov.cn/newsrelease/201503/t20150330\_669367.html

<sup>22</sup> Fu Mengzi, Xu Gang, "Belt and Road: Progress, Challenges and Responses"
23 Li Ziguo, "Belt and Road: New Era, New Challenges, New Responsibilities"
("一带一路": 新时代、新挑战、新任务, "yidai yilu": xin shidai, xin tiaozhan, xin renwu), Guoyanyuan, 31 May 2017, available at http://www.ciis.org.cn/chinese/2017-05/31/content\_9502473.htm (hereafter Li Ziguo, "Belt and Road: New Era, New Challenges, New Responsibilities").

 <sup>24</sup> Fu Mengzi, Xu Gang, "Belt and Road: Progress, Challenges and Responses"
 25 Li Ziguo, "Belt and Road: New Era, New Challenges, New Responsibilities"

<sup>26</sup> Fu Mengzi, Xu Gang, "Belt and Road: Progress, Challenges and Responses' 27 Ibid.

experts advise that films, documentaries, and exhibitions more widely display the positive impact of BRI projects on local economies and societies.

Overall, BRI coordinates "both domestic development and international economic cooperation", Fu Mengzi and Xu Gang write, in order to serve a great "strategic ambition." They believe that this "substantial" and "clear plan" is meant to "forcefully shape China's geopolitical and economic path to further achieve its rise" and to help China "consolidate its status as a global economic power and lead a new phase of globalization".

#### Shaping China's external environment

The mobilisation of China's domestic resources under BRI's umbrella is intended to shape China's external environment. For Chen Gang, an expert at the Institute of East Asian Studies of the National University of Singapore, BRI has "altered" China's "long-standing principle of keeping a low profile" and reflects Beijing's newfound "political ambition to seek global great power status and its long-term plan of reshaping the global economic structure" as Chinese SOEs venture out and create new industrial capacity abroad, the domestic industry needs to be "successfully upgraded" to form a "complementary supply chain", as Li Ziguo, an expert at the Eurasia Institute of the China Institute of International Studies, describes it, in which China will be at the top.

BRI also indicates marked changes in how China sees its environment. As he looks around China's periphery, Liu Jun, a researcher at the Institute of International Studies of Yunnan University, describes a problematic maritime flank that contrasts with a consolidated and stable western landmass.30 Russia is perceived to be a solid political, economic, and military friend for China, and the two strategic partners "can defend one another in times of European and American strategic squeeze" (战略挤压 zhanlüe ji ya). "Fruitful cooperation" with Central Asia on security issues has been achieved thanks to the Shanghai Cooperation Organization. On China's western flank, only India is seen as a potential concern as "it has been impossible to get rid of the issue of mutual trust because India sees China as a powerful international competitor". By contrast, Liu describes a problematic eastern theatre with multiple hotspots (Japan, Taiwan, and North Korea), especially the South China Sea where the "US, Japan, Australia and others" have "seized the opportunity" of China's island reclamation to "intervene militarily." Maritime access is crucially important: "as a country with no ocean, it is impossible for China to rise, or even to grow into a global power".31

Thanks to BRI, "China's circle of friends is expanding"s: "More than 100 countries and international organizations have expressed their support."33 Most Belt and Road countries are economically less developed than China. Chen Gang points out that they are "not just limited to the Eurasian continent, but will eventually cover all the 'middle zone' and 'third world' put forward by Mao" in his 'Three Worlds Theory' ("三个世界" 理论 san ge shijie lilun).4 Chen Gang sees BRI as a continuation of China's historical ties with third world countries and as the opening of a "new era of China's Third World strategy." As such, the US and other Western countries are concerned that BRI will bring about "the erosion of their global influence and overseas interests": "Mao's Third World strategy mostly used to seek China's increased political influence; the Belt and Road strategy not only seeks to expand political and diplomatic influence but has also a clear economic expansion appeal". In essence, Mao's idea was to exert restraint on Soviet hegemony by consolidating cooperation among Third World countries – an international relations parallel to the Maoist revolutionary strategy of using the countryside to encircle the urban strongholds. Chen Gang concludes by saying that "the international game around BRI has just begun" but falls short of taking the next step and explicitly enunciating what follows from his historic parallel: as a result of China's increased cooperation with the developing world through BRI, the current American hegemon will be encircled, restrained and marginalised.

To what extent does China have a clear 'maritime strategy'? If such a thing exists, it is probably best outlined in China's

The implementation of BRI is also reshaping China's diplomatic conduct. Li Ziguo believes, this "diplomatic transformation" marks the opening of a "new era" with a more proactive China, which has "put forward a series of positions on international relations and global governance." What he means is that from 'rule taker', China will now become 'rule maker': "After the 1840 Opium War, China became a profound victim of globalization, then evolved into a detached spectator, and now has grown into an active participant." Li Ziguo writes that having in the past "accepted and learned" the international rules, it will now "participate in the development of rules." He further states that these new rules will "break the Western moral advantage" and focus on "development rights" instead of "good and bad" political systems. Meaning that instead of playing along with the rules and platforms provided by others (World Bank, IMF) China will now provide its own public goods. Epitomising an approach informed by "Chinese wisdom," the AIIB is "clearly different from Western-led financial institutions" as loans are offered without political conditions, Li Ziguo notes.

<sup>29</sup> Chen Gang, "The Diplomatic Thought at the Source of China's "Belt and Road" Strategy" (中国"一带一路"战略的外交思想根源, zhongguo "yidaiyilu" zhanlie de waijiao sixiang genyuan ), Lianhe zaobao, 25 May 2017, available at http://beltandroad.zaobao.com/beltandroad/analysis/story20170525-764119 (hereafter Chen Gang, "The Diplomatic Thought at the Source of China's "Belt and Road" Strategy").

<sup>30</sup> Liu Jun, "Characteristics of China's Current Periphery Diplomacy" (当今中国周边外交的特点, dangjin zhongguo zhoubian waijiao de tedian), Lianhe zaobao, 4 March 2016, available at http://www.chinaelections.com/article/106/241206. html (hereafter Liu Jun, "Characteristics of China's Current Periphery Diplomacy").

<sup>31</sup> Liu Jun, "Characteristics of China's Current Periphery Diplomacy".

<sup>32</sup> Fu Mengzi, Xu Gang, "Belt and Road: Progress, Challenges and Responses".

<sup>33</sup> Li Ziguo, "Belt and Road: New Era, New Challenges, New Responsibilities".

<sup>34</sup> Note: in 1974, Mao Zedong described the world as divided in three categories. The first world consisted of superpowers (US and USSR), the second, of intermediate powers (Japan, Europe, Canada) and the third, of exploited nations in Africa, Latin America and Asia, which constituted the principal force against imperialism and hegemonism embodied by the first world. China belonged to the third category. Mao's thought was described in a speech given by Deng Xiaoping to the UN in April 1974, which can be found here: https://www.marxists.org/reference/archive/deng-xiaoping/1974/04/10.htm.

### Does China have a Maritime Grand Strategy

Jabin Jacob

defence white paper, which was released in 2015. It declared that, "[t]he traditional mentality that land outweighs sea must be abandoned, and great importance has to be attached to managing the seas and oceans and protecting maritime rights and interests".35 China's defence white papers are seldom heavy on detail, and are often less a declaration of future intent than a confirmation of what has been already under way for some time. The 2015 white paper, however, not only confirms what China's leaders have been thinking for a while, it also commits them more strongly to the idea of China as a maritime great power.

The defence white paper also reflects all three elements that define a strategy: capabilities, actions, and narratives, i.e., what China can do, what it actually does, and what rationale it proffers for its capabilities and actions.

#### Chinese capabilities, actions, and narratives

Capabilities are the easiest to measure for both the Chinese as well as outside observers, but these alone do not constitute strategy. It is noteworthy that the Chinese may seek capabilities because of the advantage this can bring them in terms of 'the optics'. Take for example, China's grand programme of building multiple aircraft carriers. It does this even as it claims that its missiles and submarines can counter American aircraft carriers. But the prestige that comes from owning aircraft carriers too is important for Beijing.

China's naval activity is supported by its narratives — both military and civilian. On the military side, there is, of course, the great emphasis on humanitarian and disaster relief, including anti-piracy operations. However, significant infrastructure development in the form of China's 'Belt and Road Initiative' (BRI, 一带一路) plays an extremely important role in the projection of Chinese maritime power. The 21st Century Maritime Silk Road (MSR, 21世纪海上丝绸之路) component of the BRI upgrades the physical infrastructure of many Asian and African countries. Of course, this presents an opportunity for China as a global supplier of public goods and of a benign regional and global power. Nevertheless, the lack of economic rationale as well as of transparency in many projects under BRI raises several suspicions both in host countries and elsewhere.

The massive China-Pakistan Economic Corridor (CPEC), financed by Beijing, is currently under way as part of the BRI

linking western China with the port of Gwadar in Pakistan. The CPEC is unique for connecting both the overland as well as the maritime route (the belt and the road). It is almost certain that the economic costs of the projects are beyond Pakistan's capacity to pay or what the CPEC itself might produce in terms of returns. The apparent lack of sound economic rationale or outcomes for the CPEC raises the possibility of Pakistan being unable to make good on its repayments. China might then use this to convert strategic real estate, such as the Gwadar port in the Pakistani province of Balochistan, to security-related objectives. Indian analysts in particular believe Gwadar will in due course become a staging area for China's maritime assets and personnel along the lines of Djibouti in the Horn of Africa.

Such prognoses and suspicion of Chinese narratives are also natural in a situation where China's actions speak differently from its words. In the South China Sea in particular, these actions result in a permanently wary, even if not actively hostile, immediate neighbourhood. In this case, China appears to have arrived at the conclusion that size and capability matter and that none of the south-east Asian nations are ever going to be able to match or contend with China for long even if they wanted to, and that the US itself is less than fully committed to its allies.

The situation is not quite the same where a more significant naval power like Japan is concerned. Here, China might keep Japan engaged in maritime confrontation below a certain threshold; the PLA Navy is, therefore, careful not to get involved directly allowing instead its coast guard and fishing vessels carry out the intrusions into Japanese territorial waters. China also appears to operate under the view that Japan's 'peace constitution', its anti-war public and the lack of US interest in getting involved on behalf of its allies, allows China to keep provoking without fear of a major reaction.

The narrative of visceral enmity that the Chinese state has developed over the years against their neighbour might even aid such brinksmanship. Even any losses that the Chinese may encounter might provide opportunities to raise the threshold of provocative and aggressive behaviour with Japan still higher.

#### China in the Indian Ocean

Chinese analysts have begun to say that the Indian Ocean is part of China's "grand national maritime strategy". To some extent, statements such as these reveal what the Chinese government is thinking or the kind of ideas on maritime issues that are being discussed in elite Chinese circles. Cao Xiaogang, who studies the Chinese military, for instance,

<sup>35</sup> The State Council Information Office of the People's Republic of China, "China's Military Strategy", 26 May 2015, available at http://news.xinhuanet.com/english/china/2015-05/26/c 134271001 4.htm.

<sup>36</sup> For more see: Jabin T Jacob. "China's Belt and Road Initiative: Perspectives from India", China & World Economy, Vol. 25, No. 5, pp. 86-100, 2017.

<sup>37</sup> Ministry of Foreign Affairs of Japan, "Trends in Chinese Government and Other Vessels in the Waters Surrounding the Senkaku Islands, and Japan's Response – Records of Intrusions of Chinese Government and Other Vessels into Japan's Territorial Sea", 4 October 2017, available at http://www.mofa.go.jp/region/page23e\_000021.html.

<sup>38</sup> Observed by the present author at a conference in Shanghai, November 2015.

claims that China's "South China Sea strategy" (南海战略) helps complicate the United States' maritime strategy by introducing an obstacle between the Indian and Pacific Oceans.<sup>39</sup> This hints at one of the many ways in which the Indian Ocean is important to China.

But in the Indian Ocean, Chinese actions and strategies are substantially different from those in the East China Sea or the South China Sea. This is the area where China's limited naval capabilities are most in evidence. China, therefore, prefers to highlight in its narrative non-traditional security threats such as piracy as the primary case for Chinese naval activity in the Indian Ocean region.

However, China is also using anti-piracy operations to allow PLA Navy ships to spend considerable time in the Indian Ocean including port calls at many of India's neighbours and military exercises with the Pakistani navy. The presence of Chinese submarines in Indian Ocean waters certainly does not convey any benign intent. What is interesting, in fact, is how the Chinese have justified the presence of submarines in the Indian Ocean. They are not shy of counting the matter of prestige as an important consideration but they have also put forward such implausible reasons as anti-piracy, counterterrorism and humanitarian and disaster relief. 42

#### America as the model

China closely follows what the US is doing in the maritime domain, especially in their neighbourhood, not just with a view to opposing these actions but also to learn from and ape these actions, perhaps because China believes that what the US does is what great powers do.

Highlighting the apparent failures or lack of logic or legitimacy of US actions is also a necessary objective of China's narrative. Doing so is aimed at making China's own actions and narratives look good in comparison. One of these failures, for instance, is the US inability to get its allies as well as other countries to conduct joint operations in the South China Sea, as Su Xiaohui, a researcher at the Institute for International Strategic Studies at the China Institute for International Studies, points out. Japan, Australia, and India all turned down the offer, and the Philippines too soon

39 Cao Xiaoguang (曹晓光), "In-depth: How can China's South China Sea strategy cause the US to face a life-and-death choice?" (深度: 中国南海战略如何布局可让美国面临生死存亡) [Shendu: Zhongguo Nanhai zhanlüe ruhe buju ke rang meiguo mianlian shengsicunwang], New Wave Military Blog (新浪军事微博), 23 October 2016, available at http://mil.news.sina.com.cn/jssd/2016-10-23/doc-ifxwztru6936723.shtml.

40 Jabin T Jacob, "Discerning China's Evolving Strategy in the Indian Ocean Region: An Indian Perspective" in David Brewster (ed.). India and China at Sea: Sino-Indian Strategic Competition in the Maritime Domain. Oxford University Press (forthcoming), 2017.

- 41 Abhijit Singh, "China's military base in Djibouti: Strategic implications for India", War on the Rocks, 21 August 2017, available at https://warontherocks.com/2017/08/chinas-military-base-in-djibouti-strategic-implications-for-india/.
- 42 Jabin T Jacob, "Discerning China's Evolving Strategy in the Indian Ocean Region: An Indian Perspective" in David Brewster (ed.). India and China at Sea: Sino-Indian Strategic Competition in the Maritime Domain. Oxford University Press (forthcoming), 2017.
- 43 Su Xiaohui (苏晓晖), "A Study of the South China Sea posture of the new US Administration" (美国新政府南海政策发展态势研究) [Meiguo xin zhengfu Nanhai zhengce fazhan taishi yanjiu], China Institute of International Relations, 21 July 2017, available at http://www.ciis.org.cn/chinese/2017-07/21/content\_39049481.htm.

suspended joint operations after Rodrigo Duterte came to power as president. Hu Bo, a researcher from the Maritime Institute at Peking University, meanwhile, argues that the Americans are politicising the situation in the South China Sea and using their media as tools in a propaganda war against China and thus increasing the risk of confrontation.

Su Xiaohui offers some insight into Chinese elite thinking, stating that if the US could not effectively challenge China on the South China Sea issue, the credibility of its alliance system would be affected. Such views both encourage as well as possibly reflect China will to continue provocations and assertiveness in the South China Sea. Alongside this, there is a strong hint of a threat to the US when some Chinese authors highlight China's weaponry of submarines and antiship missiles. Chinese analysts like Su appear to believe that talk of war bothers the Americans more than it does the Chinese themselves.

#### Conclusion

China's 2015 defence white paper lays the beginnings of a maritime strategy for China, but the process of defining the strategy – balancing capabilities, actions, and narratives in the East and South China Seas as well as the Indian Ocean – is ongoing.

While China seems to be following the tried-and-tested methods of other rising powers and great navies of the past, and especially of the US, there should be no doubt that the Chinese will seek to distinguish themselves from other powers in their maritime strategy as they seek to do in all other domains.

Thus, while show of military muscle is as important a consideration for China's party-state as for other countries, the MSR is a unique and equally important part of any Chinese maritime strategy. While the MSR offers connectivity and other economic opportunities to host countries, it might also be viewed as the velvet glove hiding the iron fist of China's military intentions – something that many powers before China have seldom bothered to mask. This could in itself be part of a strategy with 'Chinese characteristics'.

<sup>44</sup> Hu Bo (胡波), "The hidden high risks of America's South China Sea policy, China should suitably enhance its level of resistance" (美国南海政策潜藏高度风险,中国应适当提升对抗等级) [Meiguo Nanhai zhengce qiancang gaodu fengxian, Zhongguo ying shidang tisheng duikang dengji], Institute of Ocean Research, Peking University, 22 February 2016, available at http://ocean.pku.edu.cn/subpage.asp?id=488.

<sup>45</sup> Su Xiaohui (苏晓晖), "A Study of the South China Sea posture of the new US Administration" (美国新政府南海政策发展态势研究) [Meiguo xin zhengfu Nanhai zhengce fazhan taishi yanjiu], China Institute of International Relations, 21 July 2017, available at http://www.ciis.org.cn/chinese/2017-07/21/content 39049481.htm.

<sup>46</sup> Ibid.

# Analysing China's position in the global system

Melanie Hart

Many Chinese observers view the United Kingdom's Brexit vote and the election in the United States of Donald Trump as evidence that the Western-led liberal order is entering a new phase of retrenchment that will provide more space for China to expand its own global presence. But exactly what that means for the current world order and China's position within it is the subject of intense debate in China.

Chinese scholars are studying the international system to see if anything has actually changed at a systemic level. There are three competing views in China about the state of the global order today. Some Chinese scholars argue that the international system is still unipolar and dominated by the US; others believe the system is now bipolar, with China serving as a critical check against the US; while the third group believes the system is now multipolar, with major powers balancing each other out.

One common thread is that all analysts see the US-China relationship at the apex of global power, and think that China is steadily absorbing more of that power from the US. Chinese scholars generally assume that the global community welcomes China's rise and that it is restructuring and reforming the global order to make it more representative of a broader array of interests, particularly developing-nation interests. Indeed, Chinese analysts routinely call for a more peaceful and fair global order without providing clear definitions of what that should look like. President Trump's "America first" rhetoric and the Trump administration's decision to withdraw from the Transpacific Partnership and Paris climate accord are adding more fuel to claims that the US is in retreat.

#### **Defining the International Configuration**

Chinese scholars use the term "international configuration" (国际格局 guoji geju) to describe the balance of power among nations and the international system that emerges from that balance at a given point in time. <sup>47</sup>This term gained prominence in China during the cold war era to describe the US-USSR bipolar global power structure. In a recent review of Chinese academic debates on this topic, Professor Zhou Fangyin from the Guangdong University of Foreign Studies Research Institute for International Studies states that the Chinese concept of "international configuration" encompasses the entire structure and composition of international relations, including the distribution of power, global governance system, distribution of benefits among

powers, and macro-level trends such as globalisation and the digital information revolution.<sup>48</sup>

Chinese scholars classify international configurations in terms of "poles" and "power centres".<sup>49</sup> They use concrete metrics, such as gross domestic product, population, production capacity, and military capability, to assess relative power and only consider a nation to be a true "pole" if its power extends globally. The number of poles determines whether the system is unipolar, bipolar, or multipolar. The structure of other power centres around the poles and the overall distribution of power determines how the system functions.

In Chinese, "international configuration" is a more specific term than "global order". According to Cui Liru, senior advisor to the China Institutes for Contemporary International Relations, global order is "a concept with the most indistinct meaning" which "people often use according to their own needs and understanding".<sup>50</sup>

#### Unipolar, Bipolar, or Multipolar

In the late 1980s internal weakness caused the Soviet Union to implode, turning a previously bipolar system into a unipolar one with the US at the centre. But starting in the 1990s, globalisation and the digital revolution contributed to China's rise, bringing a series of power redistribution shocks to the unipolar system. By the late 2000s, US global leadership and the unipolar power structure had begun to fray as China's economy ballooned.<sup>51</sup> From a Chinese perspective, the 2008 global financial crisis—which the United States instigated and China weathered more easily than the Western developed nations—demonstrated that China's power was rising, U.S. power was declining, and the U.S.-led unipolar order was on its way out.

Chinese scholars generally agree that the latest wave of nationalist populist politics in the US and Europe indicates that the pace of change is accelerating. However, they disagree on the question of whether the change that has occurred thus far adds up to a shift in the underlying global structure. Some scholars argue that China is now a major "pole" operating at the same level as the US, but others do not believe China has reached that level yet or see a more a multipolar order emerging. Three recent articles lay out the reasoning behind these conflicting views.

Tsinghua University experts Yan Yilong and Cui Jing use the work of Marx to argue that we still live in a bipolar

<sup>47</sup> Cui Liru, "The Evolution of the International Configuration and the Construction of the Order in the Multi-Polar Era (First Part)," Contemporary International Relations, Issue 1, 2016, available at http://www.cssn.cn/zzx/gjzzx\_zzx/201604/W020160421376680708043.pdf.

<sup>48</sup> 把"格局"与"国际"组合在一起,它既可以指国际关系的总体结构、布局,也被用于说明国际关系的宏观态势。Zhou Fangyin, "Zhong guo xue zhe dui guo ji ge ju de ren shi ji zheng ming," Quarterly Journal of International Politics, 2017, Vol 2 Issue 2 (国际政治科学), 2017 年第 2 卷第 2 期(总第 6 期),第1-32页.

<sup>49</sup> Xiao Huanrong and Qi Ji, "The Basic Figures and Trends of Current International Configuration and China's Orientation," Journal of Xuzhou Institute of Technology Social Sciences Edition, November 2016, Vol. 31, No. 6.

<sup>50</sup> Cui Liru, "The Evolution of the International Configuration."

<sup>51</sup> Ibid; Xiao Huanrong and Qi Ji, "The Basic Figures and Trends."; Yan Yilong and Cui Jing, "Shi lun 'liang ji xiang lian' de quan qiu xin zhi xu," Xin Rui Xin Lun, 2017 Issue 1, p. 161-169.

world.<sup>52</sup> In 1853, Karl Marx used Hegel's law of the contact of extremes to describe interactions between Europe and China. In Marx's view, European colonialism triggered a liberation movement in China that could potentially loop back around and trigger a revolution in Europe. Yan and Cui argue that, once again, the non-Western world is rising up, just as Marx described in 1853. The difference is that this time China is much stronger, and it is leading the non-Western world to rise up collectively to balance against the unipolar global system. According to Yan and Cui, China's rise is as significant as the industrial revolution, and they believe China now stands shoulder-to-shoulder with the US in a bipolar system.

Their view of this bipolar system represents a departure from the cold war playbook of confrontation. Instead, the authors argue that the US and China share many common interests, and today's most pressing problems, such as climate change, are global in nature and impossible for either nation to solve on its own. Instead of the old cold war system, they describe a new type of bipolarity in which the two poles compete but also cooperate, engage in joint global leadership on common problems, and serve to check and balance one another. In their view, China's rise has broken apart the US-led "hegemonic order" (霸道秩序 badao zhixu) to produce a more democratic order where more interests are represented, more nations can reap benefits, and there is "more respect for individual nations' independence and self-determination."53 They argue that this new type of bipolar order offers greater opportunity for multilateral global governance mechanisms that bring in a broader array of competing viewpoints.

Cui Liru argues that China operates in a multipolar international configuration.54 In his view, 2008 marked the turning point from a unipolar to a multipolar system. That year, China's success hosting the Olympic games was a soft power success that demonstrated its peaceful rise, while the global financial crisis demonstrated the risks and failings of a unipolar system dominated by the US. In his view, the shift from a unipolar to a multipolar system reflects America's decline. Indeed, he argues that the centre weakened to the point that it was "unable to easily exercise hegemonic authority like it did in the post-Cold War era".55 According to Cui, in the new post-2008 multipolar system, the US no longer has "unconditional leadership authority" ( 绝对的主导权 juedui de zhudao quan).56 The structure today is more balanced, with "different power centers competing and cooperating at different levels according to their own superiority and characteristics".57 Power is more diffuse, and that brings benefits as well as challenges for China. Professor Cui thinks the US and China have a critical role in the new multipolar global order. As the largest developed

52 Yan Yilong and Cui Jing, "Shi lun 'liang ji xiang lian'".

nation and largest developing nation, the US and China have a unique capability to practice joint leadership.

Arguments that China still lives in a unipolar world are becoming increasingly hard to find, but Xiao Huanrong and Qi Ji, both experts at the Institute of International Relations at the Communication University of China, support this view.<sup>58</sup> They still portray the US as an aging, stumbling nation reaching the limits of its hegemonic power and bumping up against new limitations both internal and external. However, unlike Cui Liru, they argue that the structure is still unipolar because China still cannot compete with the US in terms of its military capability and the number of bases it has across the world. In their view, although China is steadily rising, only a big shock will rock the US off the top spot and usher in a truly bipolar or multipolar system.

Although they still believe in the idea of a unipolar system, they see profound change in the way it operates: problems are increasingly global, power is increasingly dispersed, and the US is no longer able to fulfill global needs unilaterally. They argue that China's national interests are best served by focusing on its own development within the current unilateral system rather than pushing for systemic change.

#### Assessing the Trump presidency

Most Chinese scholars interpret the Trump presidency as evidence that the decline of the West is accelerating, US hegemony is crumbling, and China is gaining in relative power. Yan and Cui actually expect US-China competition to intensify under Trump. In their view, compared to his predecessors, Trump is more willing to break international rules and norms that previously kept US-China competition within a predictable lane.<sup>59</sup> Yet, they argue that, although the US still enjoys an overall military edge, it cannot address critical national security threats in Northeast Asia without Chinese assistance, and it is increasingly dependent on Chinese trade and investment to keep its domestic economy running. Consequently, they do not expect the Trump administration to truly operationalise his "America first" policy. They expect that any attempt to do this will backfire and boost global demand for Chinese leadership and push the global community toward China's concept of the global order, which they view as more peaceful and egalitarian.

Zhang Tengjun, a researcher from the America Institute of the China Institute of International Studies, recently echoed this view, stating that if China remains focused on its own internal development and peaceful rise, "the international community will naturally place high hopes on China, and some will even go so far as to raise the possibility of China taking over the global leadership role

<sup>53</sup> Yan Yilong and Cui Jing, "Shi lun 'liang ji xiang lian'".

<sup>54</sup> Cui Liru, "The Evolution of the International Configuration."

<sup>55</sup> Ibid.

<sup>56</sup> Ibid.

<sup>57</sup> Ibid.

<sup>58</sup> Xiao Huanrong and Qi Ji, "The Basic Figures and Trends."

<sup>59</sup> Yan Yilong and Cui Jing, "Shi lun 'liang ji xiang lian."

from the United States."<sup>60</sup> Zhang calls for China to remain level headed and avoid jumping into that role too quickly.

From an American perspective, Chinese scholars are making a wide array of assumptions, some of which appear to be constructed on shaky ground: that the broader global community welcomes and will continue to welcome Chinese leadership across a wide array of issues; that a China-centric system would be more representative than a US-centric system; that China's capabilities will continue to grow and the nation will not become bogged down in its own domestic economic or political crises. Those assumptions will need to be tested in a systematic way in order to determine whether this new trend in Chinese 'international configuration' analysis truly reflects fundamental shifts in the international system or is another wave of wishful thinking that will fade the next time China faces major challenges.

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