THE RECONFIGURATION OF CHINA’S GEOSTRATEGIC OUTLOOK

In this policy brief, Jo Inge Bekkevold, Head of Centre for Asian Security Studies at the Norwegian Institute for Defence Studies, discusses the on-going reconfiguration of China’s geostrategic outlook.

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China’s geostrategic outlook

In this policy brief, Jo Inge Bekkevold, Head of Centre for Asian Security Studies at the Norwegian Institute for Defence Studies, discusses the on-going reconfiguration of China’s geostrategic outlook.¹

The policy brief identifies five main trends in China’s shifting geostrategic outlook:

- China’s rapidly increasing power vis-à-vis neighboring great powers Japan, Russia and India
- China’s shift to consolidating its own interests rather than countering other great powers’ influence in its neighborhood
- China’s maritime transformation, adding sea power to its land power
- China’s inroad into the Eurasian heartland through the new Silk Road Initiative (“One Belt, One Road” – OBOR)
- China replacing “keeping a low profile” as the guiding principle in international affairs with a more assertive foreign policy

¹ Geostrategy is how geography shapes a country’s grand strategy, and the geographic direction of a state’s foreign policy, military power and diplomatic activity. The study of geostrategy is influenced by scholars such as Alfred Thayer Mahan, Halford J. Mackinder, Nicholas J. Spykman, and in recent years Jakub J. Grygiel.
The balance of power is shifting

Xi Jinping is in charge of a country with a very different standing in international affairs than his recent predecessors. When Deng Xiaoping launched China’s economic reform program in 1979/80, China’s GDP was one-fifth of Japan’s, half of the United Kingdom’s, and less than one-tenth of the United States’. When Jiang Zemin came to power in 1989, China’s GDP had fallen even further below Japan’s and the United States’, equalling only one-eighth of Japan’s and one-fifteenth of the United States’. However, an economic miracle was in the making, and when Hu Jintao came to power in 2002, China had climbed to be ranked as the world’s sixth largest economy. Still, in 2002, China’s GDP was only slightly larger than Italy’s. Fast forward ten years to 2012, and Xi Jinping took charge of the world’s second-largest economy and the second most powerful military force. The most telling example of China’s achievements is how China’s economy has outrun Russia’s over the last two decades. In 1995, China’s GDP was twice the size of Russia’s. Last year, in 2015, it was 10 times the size of Russia’s GDP. In 2015, China’s GDP was already more than twice the size of that of Japan’s, and by 2020 it is estimated to be almost four times larger. In 2015, China’s GDP was five times larger than India’s GDP, and more than four times larger than the combined GDP of the ten ASEAN countries. For instance, China’s neighbour Vietnam is a relatively large country with a population of more than 80 million people, but in 2015 Vietnam’s GDP accounted for less than two percent of China’s GDP, down from nine percent in 1980. In 2015, China’s GDP was 878 times larger than that of another neighboring country, Laos. Naturally, this radical shift in the balance of power is changing China’s role and position in international affairs, and changing China’s relationship with other countries in the region.

Consolidating its own interests

China’s geostrategic outlook has changed over the six and a half decades that have passed since the People’s Republic of China was proclaimed in October 1949. Until the Sino-Soviet split in 1960, the People’s Republic of China was «leaning to the one side», the communist camp. In the second half of the Cold War, from 1971 to 1989, China was leaning towards the United States, and this also enabled China’s «gaige kaifang» – reforms and opening to the outside world – in 1989.

With the end of the Cold War in 1989, the Soviet Union no longer posed a direct threat to China, and China did not need the United States in the same way to counter it. Although China expanded its economic co-operation with the United States, Beijing at the same time wanted to reduce United States’ strategic influence in East Asia. China feared that the United States after the Cold War would be able to keep its Cold War “coalition”-system in East Asia, with a forward posture in Japan and South Korea.

China promoted a multipolar world order to counter United States’ hegemony, through great power diplomacy and strategic partnerships.

China’s strategic thinking throughout this period has been guided by a “fear of encirclement” by the three great powers India, Russia and the United States. For instance, China’s partnership with Pakistan has been part of this strategy in South Asia vis-à-vis India, and China’s

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2 China did however see that United States’ military assistance to Japan contributed to help prevent Japan from developing nuclear weapons capabilities.
promotion of the Shanghai Co-operation Organization (SCO) was influenced by the same thinking vis-à-vis Russia in Central Asia. However, recent developments in China’s policy indicates that Beijing is shifting from a careful approach focused on managing great power relations in its neighbourhood emphasizing stability and security, and countering other great powers’ influence, towards a more risk-willing policy driven by an ambition of consolidating its own interests. If so, this is actually a major shift in strategic thinking in Beijing. One obvious example of this new approach is China’s Silk Road initiative, in particular the Silk Road Economic Belt into Central and South Asia and its counterpart on the sea, i.e. together the ‘one belt, one road’ – yilu yidai – initiative. Another example would be China’s maritime policy in the South China Sea and the East China Sea, where China in both maritime theatres are seeking to establish a new normal in terms of its military presence. China is no longer leaning on other great powers to protect its core interests.

**China’s turn to the sea**

China’s turn to the sea is one of the most fundamental geopolitical shifts in recent history. With the dissolution of the Soviet Union and the end of the Cold War, China was for the first time in history free from any major land based threats to its security. This has allowed China over the last two decades to shift its geostrategic outlook towards the sea. Only once before has China managed to develop a true maritime outlook and that was during the late Song and early Ming dynasties in the 13th and 14th centuries. This serves to illustrate how monumental China’s shift to sea power really is. China now has one of the world’s largest merchant fleets, is one of the world’s top three shipbuilders, and China’s on-going naval modernisation is the final step buttressing China’s growing position as a maritime power. This transition into a sea power is also reflected in China’s Defence White Papers. China’s 2004 Defence White Paper was the first public announcement of a priority shift in defence resource allocation towards the PLA Navy. China’s 2006 Defence White Paper explained how its growing maritime interests might be defended. The 2013 White Paper stated that China is a major maritime as well as land country, while the 2015 Defence White Paper went even further stating that the traditional mentality that land outweighs sea must be abandoned, and that China must build an efficient marine combat force structure.

As China goes to sea, unresolved territorial disputes in the East and South China Seas have come to the forefront. China challenges Japan’s claim to the Senkaku/Diaoyu Islands in the East China Sea, and China’s recent island reclamation activities in the South China Sea has caused concern among ASEAN members. Furthermore, as China turns to the sea, the strategic rivalry between the United States and China in East Asia has become more prominent. Since the Korean War in the early 1950s, East Asia has been characterized by Chinese domination of the mainland and United States’ domination of the maritime theatre. Although China’s Navy (PLAN) still has limited war fighting capability beyond the Near Seas, increased Chinese naval capabilities and power projection at sea does challenge the United States as the dominant sea power in East Asia. Sustaining sea power is a costly undertaking, though. The estimated cost of United States’ new *Ford* class nuclear powered aircraft carriers and their
embarked air wings is $20 billion a piece, which is equivalent of the GDP of Afghanistan.

China’s inroad into Eurasia

Through its intervention in the Korean War, in Vietnam in 1979, and the border war with India in 1962, China demonstrated during the Cold War that in strategic terms it can dominate the East Asian mainland. Since then, China has increased its relative military might and established itself as the main trading partner of many of the countries in the region. Through its “Silk Road Economic Belt” and the “21st Century Maritime Silk Road initiative” presented in 2013 and launched as formal policy in 2015, China aims to build infrastructure and economic relations across Central Asia and South Asia.

China’s Silk Road policy gives cause for optimism regarding a possible regional economic boost. At the same time, however, China’s new diplomatic and economic offensive may also be interpreted as evidence of greater Chinese ambitions to consolidate a strategic inroad into Central and South Asia, and enable China to increase its footprint and influence into the Eurasian heartland.

China’s Silk Road policy should not be interpreted as the beginning of a new geostrategic shift in China’s foreign policy, away from the Asia-Pacific. China’s main overall strategic priority today is to secure its growing sphere of influence in the East Asian maritime theatre. Furthermore, Chinese economic interests in East Asia far outweigh Chinese economic interests in South Asia, and even those of South and Central Asia combined. In fact, China’s trade with Malaysia alone is almost as large as China’s combined trade with Afghanistan, Bangladesh, India, Iran, Nepal, Pakistan and Sri Lanka. However, China obviously finds that it can afford to expand its interests into Eurasia in addition to in the Asia-Pacific theatre.

China’s policy towards Central and South Asia is largely driven by four overarching strategic interests. First, China seeks to secure stability on its western frontier. Second, China wants access to energy and mineral resources. Third, China seeks to establish expanded land transit and access to the Indian Ocean for its landlocked inner provinces. It is a stated goal of the “One Belt, One Road” policy to connect China with the Indian Ocean, through South Asia. Since nearly 80 per cent of China’s crude oil imports, and a large part of China’s trade in goods, traverse the Strait of Malacca, China is constructing a network of roads, railways and pipelines through Afghanistan and Pakistan, through Myanmar and Tibet down to Iran, Nepal and Bangladesh that will provide China with access to the Persian Gulf, Arabian Sea and the Indian Ocean and allow a diversification of the country’s trade channels while diffusing the risks inherent to sea lanes of communication (SLOCs), which according to Chinese thinking are mainly controlled by the United States. Finally, another important Chinese strategic interest in Central and South Asia is simply to consolidate influence in its own backyard.

From low-profile to assertive foreign policy

Already in the mid-1990s it became important for Chinese authorities to counter the growing «China Threat Theory». The ASEAN protest about Mischief Reef in 1995, the United States’ response during the Taiwan crisis in 1996
and the 1997 revision of the United States-Japan defence guidelines surprised China and influenced Chinese thinking and strategy at the time. It became important to Beijing to reassure its neighbourhood and the United States to avoid counter-reactions that could offset China’s own economic growth and rise as a new great power. Deng Xiaoping’s “Tao Guang Yang Hui” – to keep a low profile in international affairs – became a guiding principle. This strategy, later rephrased as “Peaceful Rise” – was launched in speeches/articles in 2003, and put down on paper as an official white paper on foreign policy in 2005, then titled “Peaceful Development”, as ‘rise’ was associated with being too offensive.

However, it seems China’s rapidly increasing economic and military capabilities have had an impact on the worldview of Chinese leaders, and in particular Xi Jinping and his lieutenants. China’s leaders now assume that China’s new economic muscle entitles it to a position of greater international respect, an assumption that influences Chinese foreign policy making, and has been pointed to as one explanation for China’s more “assertive” foreign policy. Assertive could mean aggressive, but it also means self-assured, confident and direct in claiming one’s rights or putting forward one’s views. China has changed from being a low-profile player in international affairs to taking a “can-do” approach in her foreign policy.

China’s strategic thinking has gradually shifted in the context of China’s rise and the global power shift. This shift is also influenced by the Chinese people expecting their new leaders to take a stronger position on foreign policy issues, one that reflects China’s new position as a great power. Popular nationalism has become a powerful voice in Chinese politics. Chinese leaders are conscious of the dangers of the growth of ultra-nationalism regarding domestic stability and foreign policy, but they also are determined to use this nationalism to maintain the position of the Chinese Communist Party during a prolonged period of economic uncertainty. Xi Jinping’s promotion of the “China dream” encourages Chinese citizens to become more vigilant against challenges to Chinese sovereignty from regional states. As a result, they will scrutinize acts by the Chinese government and look for any moves that indicate compromise or weakness. Hence, Xi’s “China dream” political campaign could encourage even greater nationalist sentiments and increase domestic pressure on the leadership to adopt nationalist foreign policies, and this type of nationalist sentiment may constrict the space China has to adjust its foreign policy.

Concluding remarks

In sum, the five main developments outlined above constitute a major reconfiguration of China’s geostrategic outlook and foreign policy strategy. China’s current geostrategic outlook is certainly different from its outlook during the Cold War and different even in comparison to the prevailing outlook when Xi Jinping’s predecessor Hu Jintao came to power in the early 2000s. The balance of power is shifting, in China’s favour, and China is turning itself into a sea power. Throughout history, such developments have often, but not always,
lead to instability and conflict. China’s inroad into Central and South Asia however, is a reminder that China is also a land power. In terms of its geography, China is a hybrid, and its military reform program also confirms that China wants to be both, a land power as well as a sea power. If China is able to deliver on all the grand plans in its Silk Road Initiative, the economic landscape – and to a certain extent also the strategic landscape – in Central Asia will change.

China wants to work closely with the United States, both to further its own economic development and to find common solutions to international crisis. China is definitely one of the winners of the liberal institutionalist order, and although China is not a satisfied state, it would not be in China’s interest to pursue a fully revisionist agenda with regard to international regimes. At the same time, Beijing is growing more confident in defending its core interests, including if this means challenging the strategic interests of the United States in East Asia.

China’s policies in the maritime sphere as well as through its Silk Road initiative could be interpreted as attempts to expand its ‘sphere of influence’, both at sea as well as on land. If this is the case, we may be witnessing the first steps towards China seeking to establish regional hegemony. In order to achieve this, China would need to keep the United States at arm’s length in the East China Sea and the South China Sea, it would need to dominate Russia, and China would need to further increase its influence and presence on the Eurasian landmass and probably have a presence in the Indian Ocean. It is debatable if such a policy would be driven by nationalism and pride, an ambition to increase its own power or by fear of United States’ encirclement, or perhaps a combination of all these factors.

Nevertheless, if the still on-going reconfiguration of China’s geostrategic outlook results in a drive for regional hegemony, it will most likely result in countermeasures and as such not necessarily increase China’s security. A permanent feature of United States’ foreign policy is to resist potential regional hegemons. Furthermore, the other great powers on China’s doorstep, Russia, India and Japan would very likely seek to balance China’s rise. China’s rise is already changing Japan’s defence and security policy, and India is the country most sceptical towards China’s Silk Road initiative. India has for a number of years already been moving closer to the United States, and in recent years New Delhi has also courted Japan, as well as Australia. Moscow, on the other hand, is for the time being tilting closer to Beijing, greatly helped both by skilful Chinese reassurance policies towards Russia, and strained relations between Russia and Western countries. Although the reconfiguration of China’s geostrategic outlook is still in the making and its outcome still uncertain, great power politics and diplomacy will certainly be on the agenda and in demand in East Asia for a long time to come.
