THE ASIAN STRATEGY OF XI JINPING

Abstract

An ambitious programme of economic reforms and anti-corruption measures has been undertaken by President Xi Jinping, along with a large-scale transformation of Chinese diplomacy. His foreign policy doctrine highlights the defence of sovereignty interests and the development of the country's military capacities, with Asia currently constituting its essential strategic priority. This is reflected in various regional integration initiatives linking security and economic development, whereby Beijing is proactively pushing for a rearrangement of regional order, redefining Asia as a geopolitical space with important repercussions for global equilibrium.

KeyWords

China, Asia, Asian integration, Silk Road, Xi Jinping.
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INTRODUCTION

From a realistic perspective, it was foreseeable that the rise of China would alter the Asian security structure, prompting a strategic readjustment on behalf of its neighbouring States, the development of their military capacities and the reinforcement of their relations with the United States.\(^1\) Added to the concern over its rapid increase of power is the perception of alarm in the region, arising from China’s coercive diplomacy of recent years. Since Xi Jinping’s accession to power as Secretary General of the Communist Party, at the 18\(^{th}\) Congress (November 2012), China has adopted a more assertive stance in relation to its interests of sovereignty, while a succession of declarations and initiatives reflect a decisive fresh impetus in its regional strategy.

Chinese activism in relation to its territorial claims in South and East China seas between 2009 and 2010, maintaining its support for Korea’s North despite repeated provocations by Pyongyang in this period and several military incidents on the border with India, contrasted with the pragmatism that characterized its foreign policy since the early 1990s. Despite staying officially the discourse of “peaceful development”, the change of behavior from Beijing forced to consider their possible causes. The most recent actions of a China that already does not hide his ambition to become a great military, diplomatic and economic power, seem to confirm this turn.

The sea and air incursions on the Senkaku/Diaoyu islands in the East China Sea -whose sovereignty is disputed between Beijing and Tokyo- increased following the Japanese purchase of three islands, in September 2012. In November 2013, China unilaterally declared an air defence identification zone covering the archipelago that overlapped with Japanese air space and partially overlapping with that of South Korea and Taiwan.\(^2\) In a context of change in relative positions of power, and of confrontation between two historically opposing perceptions of their respective roles in Asia, Sino-


Japanese relations have deteriorated considerably. In the South China Sea, on the other hand, the People’s Republic of China (PRC) has clashed with the Philippines; in 2012, it took control of Scarborough Shoal and increased pressure on other coral reefs. A similar situation arose with Vietnam, in whose exclusive economic zone it set up an oil-drilling platform in May 2014, which it removed two months later.

Beijing describes its actions as a defensive response to those challenging the “unquestionable” Chinese sovereignty and who are prepared to follow the United States guidelines. Without getting into an evaluation of the discrepancy between the legal criteria employed by Japan, the Philippines and Vietnam, and the historic arguments given by Beijing, it is difficult to refrain from concluding that the objective is to broaden its sphere of influence in Asia, redefining the status quo in its favour. Tokyo, Manila and Hanoi will not cede in the defence of their maritime sovereignty, bringing about possible new tensions between the PRC and these States and also between Beijing and Washington. Following these claims, rivalry with the United States is resolved under the definition of the future regional order.
Chinese interest in assuring peace and stability in the surrounding area is a necessary condition for its economic development and maintaining the Communist Party in power. We must ask ourselves why Beijing would risk generating distrust in the neighbouring States, propitiating the creation of a coalition of “counterbalance”, a situation it attempted to avoid through its Asian strategy formulated from 1997 onwards8.

Concern in Asia at China’s behaviour was reflected in a series of movements contrary to the interests of Beijing in the long term: changes in Japanese security policy; the strategic association of Japan with India and Australia (and that of these latter two); the growing unity of the ASEAN bloc with regard to the PRC; the proliferation of bilateral security agreements between intermediary powers and the reinforcement of the role of the United States, whose protection is desired by numerous States in the region.

In spite of such hedging in the face of its rise, China not only maintains the rhetoric of good relations with its neighbours,9 but it has set in train a diplomatic strategy that includes an ambitious agenda for economic cooperation, the development of connectivity infrastructures and even a regional collective security scheme. In November 2014, on the occasion of the Asia-Pacific Economic Cooperation (APEC) summit in Beijing, China hit a more pragmatic note and renewed dialogue with Japan, Vietnam and the Philippines, signing up to various bilateral agreements with the United States.10 The desire to reduce the tension of the two previous years could explain such conciliatory rhetoric, centred on friendship and shared interests with its neighbours.11 Notwithstanding, neither Beijing appears to have abandoned its objectives -to reconfigure its immediate environment and assure core interests-, nor has regional concern over Chinese capabilities and intentions disappeared.

Closer examination of Chinese foreign policy over the past two years reveals how its periphery has been prioritised, becoming the axis of a new strategic focus which, while still maintaining a degree of continuity, represents a departure from the

diplomatic principles formulated at the beginning of the nineties by Deng Xiaoping. The consolidation of Chinese influence in Asia is considered crucial to its rise as a major power, becoming inseparable from the national rejuvenation drive promoted by Xi Jinping under the slogan “Chinese Dream”.

The causes and implications of this shift constitute the focus of this article. As we find ourselves merely in the first stage of this administration - Xi will not abandon power until the 20th Party Congress, in 2022 - we are not attempting to anticipate the evolution of Chinese foreign policy, but to construct an analytical framework identifying Beijing’s preferences by examining: (1) the Chinese perception of its surrounding environment and capabilities; (2) the diplomatic doctrine articulated by the government during this period; and (3) the principal initiatives to execute its strategy. Given the relevance of the PRC in the transformation of Asian order, in turn a determining factor in the international system for the middle of the century, an analysis of Xi Jinping’s regional strategy provides some key clues to the sources of Chinese behaviour and, consequently, to the effects of its rise as a major power.

**CHINESE PERCEPTION OF THE REGIONAL ENVIRONMENT**

The conceptual framework of Chinese foreign policy stems from the perception of a “new situation” in its security environment. In the words of the latest White Defence Paper, the regional landscape “is undergoing profound changes”, which means that China “faces multiple and complicated security threats and challenges”. In 2013, in a detailed description of the innovations in Chinese diplomacy the State Councillor, Yang Jiechi, referred to the cause as “a keen appreciation of the evolving global environment and trends of development at home”, in light of “new conditions and new tasks” facing the country. President Xi Jinping would again mention the “major changes” in Asia and the “extremely complicated security situation” as the reasons

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Examining the documents available, we detected two factors that define that “new situation”: the reorientation of the United States towards Asia and increased tensions in its periphery, including the North Korean nuclear problem and, in particular, the disputes in the East and South China Seas.


Alongside reinforced bilateral alliances and military presence on the ground, it was proposed that the security agenda be incorporated into the East Asia Summit, a process which the United States formally signed up to in 2010.\footnote{In presenting the new strategic defence guidelines, Obama underlined the priority of Asia ahead of Europe and the Middle East: DEPARTMENT OF DEFENSE. “Sustaining U.S. Global Leadership: Priorities for 21st Century Defense”, January 2012, \url{http://www.defense.gov/news/Defense_Strategic_ Guidance.pdf} (last consultation 12-1-2015). The Defence Secretary reaffirmed military commitment to the region, concentrating more than half of its naval capacity: “Remarks by Secretary Panetta at the Shangri-La Dialogue in Singapore”, Singapore, 2 June 2012, \url{http://www.defense.gov/Transcripts/Transcript.aspx?TranscriptID=5049} (last consultation 12-1-2015).} Even the economic chapter gave rise to misgivings in Beijing: the Trans-Pacific Partnership, TPP -promoting the integration of trade and investments between Washington and the Asian States- was drawn up in terms that suggested the containment of Beijing, adopting the Pacific “pivot” in response to its growing influence in the neighbouring environment.

The latest White Defence Paper explicitly describes the pressure that the United States represents for Chinese security interests: “Some country has strengthened
its Asia-Pacific military alliances, expanded its military presence in the region, and frequently makes the situation there tenser”.\textsuperscript{18} Xi spoke in similar terms, indicating the cause for the deterioration of the environment to be the predominance of a “Cold War mentality” and of “zero-sum games”, referring to the defensive alliances as a cause for concern. “To beef up and entrench a military alliance targeted at a third party”, he indicated in May 2014, “is not conducive to maintaining common security”.\textsuperscript{19} Here he was referring to Washington’s Asian strategy, which numerous Chinese analysts look upon as an implicitly limiting the PRC’s freedom for manoeuvre.\textsuperscript{20}

Beijing insists that both countries can work together for regional stability. Despite an intense economic interdependence and diversified bilateral cooperation, the competitive factor is increasingly evident, aggravating mutual distrust.\textsuperscript{21} China faces the challenge of readjusting its strategy towards the United States -the only country that can obstruct its progress- by attempting to weaken its position in Asia, but avoiding direct confrontation.

Maritime disputes represent another concern for Beijing. According to the White Defence Paper, “some neighbouring countries are taking actions that complicate the situation (…), and Japan is making trouble over the issue of the Diaoyu Islands”.\textsuperscript{22} All in all, it is recognised that these controversies have deteriorated relations at regional level, necessitating a redefinition of periphery policy.\textsuperscript{23}

\begin{itemize}
\item \textsuperscript{18} INFORMATION OFFICE OF THE STATE COUNCIL. “The Diversified Employment of China’s Armed Forces”.
\item \textsuperscript{22} INFORMATION OFFICE OF THE STATE COUNCIL. “The Diversified Employment of China’s Armed Forces”.
\item \textsuperscript{23} SWAINE, Michael D. “Chinese Views and Commentary on Periphery Diplomacy”, \textit{China Leadership Monitor}, no. 44 (Summer 2014), p. 8, \url{http://www.hoover.org/sites/default/files/research/docs/clm44ms.pdf} (last consultation 12-1-2015).
\end{itemize}
Tensions lead directly to Washington, as it is considered that its alliances propitiate antagonism from countries with territorial differences to Beijing.24

From a Chinese perspective, the United States is the key to clashes with its Southeast Asian neighbours, and the principal factor complicating its Japanese strategy, aside from the traditional obstacle that it represents for the reunification of Taiwan. The moderate stance of previous governments did not improve external circumstances, nor did it prevent the Obama administration from turning its attention towards the East, neither did it temper the tense climate with Japan, the Philippines or Vietnam. In view of the debatable efficacy of this stance attributable to Chinese interests and on the basis of this new evaluation of its surrounding environment, Beijing appears to have come to the conclusion that it had to proactively reconfigure this external situation. It was no longer a question of choice, but a strategic imperative, whereby President Xi urged his senior officials to “be creative and show greater initiative in achieving diplomatic work towards surrounding countries”.25

This “activism” is feasible if one has the necessary resources. For the first time, Beijing has the capacity to exercise control over its periphery, a factor that permits it to act on existing risks; while at the same time it is legitimised by nationalist public opinion. A rising China -in the view of many citizens, army officers, political leaders and academic experts- ought not to fear using its power in the defence of its national interests.26

The most obvious manifestation of these new capabilities is in the economic arena: in 2010, Chinese GDP was ahead of Japan, thus transforming the Asian hierarchy of the last hundred years and moving into second position in the world ranking, just one place behind the United States. The global financial crisis contributed to China’s upturn in comparison with western economies weighed down by serious structural problems. Growth in defence expenses has similarly promoted China’s considerable belief in its possibilities. In 2008, its military budget was the second largest in the world, as can be observed from the rapid modernisation of its forces; particularly in its air, naval and missile capabilities. While for decades US dominance in Asia


depended on its capacity to project power, Beijing, with new military resources and an asymmetric strategy, can significantly constrain Washington's access and moreover increase the cost of its activities.

Although the security environment still remains “complicated”, Beijing maintains a considerable degree of optimism regarding its possibilities. Like his predecessors, Xi also expects a “period of strategic opportunity” favourable to its interests, at least until 2020. In November 2014, it identified five long term trends in international relations: the growing trend towards a multipolar world; continued economic globalisation; a global context oriented towards peace and development; a drive for reform in the international system; and growing prosperity in the surrounding region. In spite of uncertainties, “Our biggest opportunity - he argued - lies in China’s steady development and growth in its strength. On the other hand, we should be mindful of various risks and challenges and skilfully defuse potential crises and turn them into opportunities for China’s development”.

The aspiration to avail of these circumstances provides an explanation for the most recent diplomatic expressions.

**XI JINPING’S DIPLOMATIC DOCTRINE**

The perception of a new strategic situation must be accompanied by a readjustment of diplomatic discourse, a task that has been personally assumed by Xi, who has established new institutions to that effect, under his direct supervision, such as the National Security Commission. Moreover, he has formulated the concepts and initiatives that we shall examine next.

*The “Chinese Dream”.* The slogan pledges progress in “the great renewal of the nation”; a priority which he defined as the main task of the government in his first speech as Secretary General of the Communist Party. This is no mere rhetorical declaration,
but a commitment to certain concrete successes, linked to two special dates: it is expected that by 2021 -centenary of the foundation of the Chinese Communist Party- that Chinese society will be “moderately prosperous”: the per capita income of the year 2000 should have quadrupled; while, in 2049 -centenary of the foundation of the People’s Republic- the construction of “a modern, rich and powerful Socialist country will have completed”.

It is these basic objectives underpinning the legitimacy of the Party which establish a time-frame for the central direction of Chinese diplomacy. Achieving this inevitably requires stable relations with the countries in its periphery. While not explicitly stated, Beijing’s international ambitions are also well-known. In 2021, the Chinese GDP will probably have surpassed that of the United States as the largest world economy, close to the Communist Party’s 20th Congress, which will mark the handover from Xi and his team to the sixth generation of leaders. It is also expected that in 2049, the Chinese defence budget will have surpassed that of the US, thus situating it as the world’s greatest military power. Implicit in the “Chinese Dream” is a major effort to reduce the power differential with Washington.

“Core interests”. These were defined on 28th January 2013 by the Politburo on peaceful development as the guiding principle of diplomacy. At that forum, Xi made it clear that adopting this doctrine responded to a strategic decision that would be preserved: “we shall never give up legitimate rights, or sacrifice national interests”.


32 YAN Xuetong. “From Keeping a Low Profile to Striving for Achievement”, p. 64.


risk or that we will swallow the ‘bitter fruit’ of harming our sovereignty, security or development interests”. Never before had it been stated so categorically that the peaceful development of China would not come about at the expense of its national interests. If traditionally those interests were understood to refer to Taiwan, Tibet and Xinjiang, the President’s generic description “sovereignty, security and development” includes its maritime rights and interests, as was determined some months later.

**China, major military power.** Along with the realisation of the “Chinese Dream” and a firmer position on national interests, another official priority is the development of military capabilities. In December 2012, during his first official visit outside Beijing, in the Military Region of Guangzhou, Xi delivered the following message to the People's Liberation Army (PLA): “To achieve the great rejuvenation of the Chinese nation, we must steadfastly champion a unified goal of a rich country and powerful military”; adding that the military “must be able to fight and be able to win.” While Deng Xiaoping and his successors in government pinpointed economic modernisation as key to the rise of China, Xi’s declaration represents a marked change in simultaneously pursuing the status of a great military power.

The leadership has paid special attention to the maritime dimension, given its situation, for various reasons: the territorial claims already mentioned, its role in economic development (access to natural resources and the need to protect maritime, trade and energy routes); and the strategic imperative of reducing US pressure in the periphery. Chinese naval capabilities, strengthened since 2007, have been given a recent boost. The 18th CCP Congress (November 2012), indicated that China must “safeguard its maritime rights and interests and become a major power”. This objective is therefore essential to the national security strategy, as was confirmed in 2013 at a study session of the Politburo. In his intervention Xi said that China would: “use peaceful means and negotiations to settle disputes and strive to safeguard peace and stability”, but, he added, “in no way will the country abandon its legitimate rights and interests, nor will it give up its core national interests”. These principles give conceptual coverage to Chinese maritime activities of recent months, while at the same time they reflect a qualitative leap in its identity as a major continental and maritime power; which moreover reflects the perception of security along its…

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terrestrial frontiers -formally delineated except for India and Bhutan- but vulnerable in its maritime periphery.  

“New relations between great powers”. Another of the Chinese government’s diplomatic innovations is the proposal to develop a “new type of relationship between the major powers”, aimed at avoiding conflicts traditionally associated with hegemonic transitions and exploring alternatives for managing its differences with the United States. Anticipated by Xi, during a visit to Washington as Vice-president, in February 2012, this idea was one of the topics of an informal meeting with Obama. Chinese expectations can be summed up in three principles: no confrontation, mutual respect and win-win cooperation.

Although these are aspirations shared by both parties, the problem lies in articulating these “new relations”. In the terms put forward by Beijing, the United States should respect Chinese interests, by accepting its claims of sovereignty in the East and South China Seas or by ceasing the sale of arms to Taiwan. For its part, Washington denounces Chinese unilateral, coercive actions, demanding it to behave like a “responsible major power”. China’s search for recognition of equality of status would limit the United States’ presence and role in the region, relegating its allies (Japan). One cannot expect Washington to recognise a Chinese sphere of influence


in Asia of such characteristics; the proposal, however, reveals the Chinese capacity for diplomatic initiative, handing over to the United States the responsibility -albeit rhetorical- of avoiding confrontation.

**Periphery Diplomacy.** At the end of 2013, the CCP held a conference to determine the strategic objectives and basic principles of Chinese diplomacy in Asia for subsequent decades.

Xi made a direct link between periphery diplomacy and the realisation of the “Chinese Dream”. He urged his country and his neighbours to strive to develop “even better political relations, even more solid economic links, even more far-reaching security cooperation and even closer people-to-people ties”. To this end, he added, neighbouring countries must be treated “as friends and partners, making them feel secure and helping in their development”, creating a web of common interests: “only through the greater integration of the interests of China and its neighbours can they mutually benefit from their development.”

By reiterating the need to be “proactive in the promotion of periphery diplomacy”, one can draw the conclusion that China wants to integrate its neighbours under the umbrella of its leadership, countering the “pivot” of the United States; turning the dream of “a community of common destiny” into reality in Asia, through a pan-Asian regional security plan, deepening the integration and interconnectivity of the Asian economies.

The “New Concept of Asian Security”. This was formulated in May 2014 in Shanghai, at the Fourth summit of the Conference on Interaction and Confidence-Building measures in Asia (CICA). Xi Jinping underpinned the need to adopt a common security perspective with its neighbours: “We need to innovate our security concept, establish a new regional security cooperation architecture and work together to build a shared road for the security of Asia that is win-win to all”. He denounced the strengthening of defensive alliances and all attempts to dominate regional security or interfere with the interests of other countries: “it is up to the people of Asia to manage Asian issues, resolve their problems and defend their security”. In order to do this, he underlined, it is of utmost importance to make progress in economic development and in regional

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integration, given the close relationship between growth and security. Referring to CICA as the most representative regional security forum, he proposed strengthening its role as a security dialogue and cooperation platform and, on that basis, exploring the establishment of a regional security cooperation architecture. On officially presiding over the Conference until 2016, he proposed that China’s leadership would implement these proposals, despite the difficulties in achieving them.

Perhaps more relevant than the proposal of a “New Concept of Asian Security” -in reality an evolution of the 1997 Chinese “New Concept of Asian Security”-, is


45 CICA (www.s-cica.org), currently made up of 24 members, first emerged in 1992 at the initiative of Kazakhstan and held its first summit in 2002.

46 Besides its heterogeneity of cultures and disparity of interests, the group excludes Australia, New Zealand and Singapore, while Japan, Indonesia, Malaysia, the Philippines and the United States only have observer status. It is noticeable that almost all those absent from the group are maritime countries, apart from being allies or partners of the United States, while if we mark the participating countries on a map (as above), CICA represents almost the entirety of non-Western Eurasia, thus broadening its role as the central core in this space of the Shanghai Cooperation Organization (SCO), reinforced by the forthcoming incorporation of India, Pakistan and Iran as fully-fledged members Xi Jinping himself announced his desire to strengthen the SCO and its coordination with CICA: “Xi Jinping Attends SCO Summit in Dushanbe and Delivers Important Speech Stressing Gathering People’s Will and Power and Coordinating Sincerely to Push SCO to a New Level”, 12 September 2014, http://www.fmprc.gov.cn/mfa_eng/zxxw_662805/t1191482.shtml (last consultation 11-12-2014). Map coinciding with the proposals for economic integration put forward by Beijing.

47 On the Chinese “New Security Concept”, see DELAGE, Fernando. La República Popular China
the fact that never before had a Chinese leader publicly described the United States’ system of alliances as contrary to long-term security in the region. Xi’s message in Shanghai could be interpreted as a challenge to the Asian security order of recent decades, by defining it as incompatible with Chinese strategic interests.48 The concept would thus represent an attempt to build a pan-Asian structure favouring Chinese preferences that would minimise the influence of the United States.

The confirmation that all these elements belong to the same strategy was made clear in a speech delivered by Xi Jinping in November 2014. In the second Communist Party work conference on foreign policy, he summed up the concepts put forward by official doctrine during the previous two years replacing the instructions given by Deng Xiaoping twenty years earlier. While still insisting on the continuity of Chinese foreign activity, the “low profile” recommended by Deng has been formally substituted by a proactive approach that will facilitate the achievement of these major objectives: “peaceful development and national rejuvenation, the defence of the interests of China’s sovereignty, security and development, striving for an international environment more favourable to peaceful development, and maintaining and sustaining an important period of strategic opportunity”.49

Xi expressed his satisfaction at the successes notched up since the 18th Congress (November 2012) and put forward the proposal for a new model of relations between major powers and periphery diplomacy. Nevertheless, in an implicit recognition of the damage caused by maritime tensions, he declared that China must make greater efforts in getting its message across.

But perhaps the most relevant aspect of this doctrine is the fact that Asia, more than the United States, is the central focus, with a clearly defined leaning towards the formation of a web of connectivity: “we must promote diplomacy towards neighbouring countries, shaping a community of common destiny, maintaining the principles of friendship, sincerity, mutual benefit and inclusion in the management of neighbourly diplomacy, promoting friendship and association with our neighbours, fostering a friendly, secure and prosperous environment, and fomenting cooperation”. These principles are manifested in the mechanism of incentives which Beijing came up with in order to align its interests with the periphery.
SUBREGIONAL INTEGRATION

If in the terrain of security China is attempting to create a pan-Asian architecture placing it at the centre of the region, its periphery has been the object of a series of proposals that, despite their apparently economic nature, reveal Beijing’s strategic intentions. From a Chinese perspective, there is a clear link between prosperity and security. In November 2014, Xi again focused on the objective of deepening connectivity between China and the neighbouring economies. On the one hand, he referred to the need “to accelerate the connectivity of its infrastructures”; on the other hand, he again stressed the advisability of setting up “free trade zones to broaden cooperation in exchanges and investments, and build a new economic model of regional integration”.

Three big projects define this strategy: the “the Silk Road Belt”, (Central Asia); the “Maritime Silk Road for the 21st Century”, that would link China with Southeast Asia and the Indian Ocean; and the economic belt that would link up with Bangladesh, China, India and Myanmar (BCIM), drawing China closer to southern Asia. In support of the three initiatives, Beijing has created a regional bank for the development of infrastructures, proposing a financial scheme for greater cooperation and the implementation of various free trade agreements. The goal is to consolidate this “community of shared destiny”. As we can observe, the various Asian sub regions add together strategically in a two-way direction: continental (crossing Eurasia); and maritime (connecting the Pacific and the Indian Oceans).

50 XI Jinping. “Let the Sense of Community of Common Destiny Take Deep Root in Neighbouring Countries”.

51 According to the above map published by Xinhua in May 2014 (http://www.xinhuanet.com/world/newsilkway/index.htm), the Silk Road Economic Belt would start out in Xian (central China) reaching central Asia and northern Iran, continuing across Iraq, Syria and Turkey towards Europa. It would pass through Bulgaria, Rumania, the Czech Republic and Germany heading towards Rotterdam and turning towards Italy where it would join up with the Maritime Silk Route in Venice. This second route would leave Quanzhou (Fujian province) towards the Malacca Strait and the Indian Ocean, crossing the Horn of Africa before turning towards the Red Sea and the Mediterranean.

http://revista.ieee.es/index.php/ieee
“The Silk Road Belt”. In September 2013, Xi visited Turkmenistan, Kazakhstan, Uzbekistan and Kirgizstan. Besides signing various agreements and energy contracts, in Astana he described his strategic vision in relation to Central Asia. Referring to the ever closer relationship between the PRC and the Central Asian States -reflected in bilateral pacts and in the SCO- he proposed the construction of an economic belt along the former Silk Road, hinging on four elements:

- The construction of infrastructures (road communications would be improved and a new transport network would be developed, including a railway line to Europe linking up with the Trans-Siberian line);
- The elimination of trade and investment barriers;
- A flexible regime of currency exchange (with less use of the dollar);
- And cultural rapprochement, with the proposal of a programme of scholarships for civil servants, teachers and students.12

Beijing’s interest in recovering the Silk Road is highly significant. Besides recalling its historic role in the region, the offer of its economic integration with the central Asian republics represents an interesting growth perspective. This route offers Beijing the resources necessary to guarantee its energy security, cooperation in the fight to combat radical groups and the economic development of the western provinces (Xinjiang and

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Tibet), in addition to new markets for its exports. China is also responding to the circumstances of its maritime environment.

In the face of the US “pivot” and the reinforcement of its capabilities in the Pacific following withdrawal from Afghanistan, it could mitigate that pressure -the same could happen with Japan- by extending its projection towards central Asia. Thus it would avoid being caught in a zero-sum game with the United States in eastern Asia. It could expand its interests in a new axis that would allow it to rebalance its own geopolitical position, thus gaining a space free from US pre-eminence, with the subsequent reinforcement of its influence as a major Eurasian power. Meanwhile, Russia would be obliged to react so as not to end up being excluded from these interconnected networks. In this context it signed two historic energy agreements with Beijing in May and November 2014 (without prejudicing rapprochement with China over the Ukrainian crisis).

On the “Maritime Silk Route”. Some incidents led to Beijing attempting to neutralise the perception of a Chinese threat and expand its influence in Southeast Asia. In the month following Xi’s Central Asian tour, ASEAN countries attracted the attention of the Chinese leaders: the president visited Malaysia and Indonesia, while the Prime Minister, Li Keqiang, travelled to Brunei, Thailand and Vietnam. Emulating its previous suggestion to the republics of central Asia, with a similar message of integration Xi and Li proposed the construction of a “Maritime Silk Route” across the South China Sea.

Addressing the Indonesian parliament, -a first by a foreign leader- after reiterating the Chinese objective to create a “community with ASEAN”, Xi described three major factors: macroeconomic coordination, financial cooperation and the establishment of an Asian Infrastructure Investment Bank, (AIIB). The central focus of this new bank was to be to finance connectivity between the member States and between the region and China by means of an integrated system of transport by road and rail connecting the PRC with Vietnam, Laos, Cambodia, Thailand, as far as Malaysia and Singapore.


The development of infrastructures is key to these states making a qualitative leap in growth. The Asian Development Bank (ADB) estimates that it requires some 60 billion dollars per year over the next decade. Providing half of the initial capital (50 billion dollars), Xi presided over the inauguration of the bank in Beijing, in October 2014, with representatives from some 20 Asian states from Asia and the Middle East and unveiled China’s intention to lead the institution, a move that could undercut the influence in the region of the World Bank and the Asian Development Bank, which are dominated by the United States and Japan.\(^{57}\)

The relevance that China concedes to Southeast Asia has been confirmed by other similar initiatives. Ranging from security to cultural exchanges, two proposals reinforced the Maritime Silk Road project. On the one hand, a treaty of Good-Neighbourliness, Friendship and Cooperation, and the negotiation of “an improved version” of the Free Trade Agreement between both parties (concluded in 2002). China is already ASEAN’s largest trade partner, and it in turn is China’s third largest trade partner, with two-way trade, which in 2012 surpassed 400 billion dollars (six times greater than a decade previously), and investments of 100 billion dollars in 2013, four times the figures registered 10 years earlier. Li set the objective for two-way trade at a billion dollars in 2020, an amount that will far exceed trade exchange levels between ASEAN and the United States.\(^{58}\) Li reaffirmed his commitment to complete negotiations in 2015 with the Regional Comprehensive Economic Partnership (RCEP), reflecting his ambition to play a central role in deepening economic integration in Asia, watering down initiatives like the TPP and consequently diminishing US influence.\(^{59}\) At the East Asian Summit, held in Myanmar, Li reiterated his message of integration, offering an additional 20 billion dollars in loans for the development of infrastructures.\(^{60}\)

The diplomatic offensive thus attempted to correct frictions triggered by Beijing’s actions in the South China Sea; but also to offset the impact of Washington’s Asian


\(^{59}\) Negotiations on RCEP, inaugurated in August 2012, include the 10 ASEAN Member States and the six partners with which they have a free trade agreement: Australia, China, South Korea, India, Japan and New Zealand. In May 2013, they decided to close the agreement before 2016.

tour, revealing China’s growing confidence in its capacity to fall back on economic instruments in formulating its policy towards ASEAN, offering initiatives of benefit to its members; which do not appear sufficient to neutralise the existing strategic distrust of Beijing, while economic integration perspectives are restricted by Southeast Asia’s fear of being dominated by its neighbour, given the existing asymmetry of size. Despite these reservations, again we are made aware of China’s proactive attitude and the strategic nature of its proposals, as is confirmed by Beijing’s invitation to India and Sri Lanka to join the Maritime Silk Road, aimed at uniting the Pacific and Indian Oceans. The security of the maritime routes in both spaces is a priority for China, whose growing naval extension overlaps with India’s claims. By inviting New Delhi to participate, China is making clear to what extent India is part of its intention to integrate the maritime periphery.

The economic belt “Bangladesh-China-India-Myanmar” (BCIM). This is the third big initiative launched. Devised over a decade ago, it was officially assumed in 2013, following a meeting of the Prime Ministers of China and India. Here too long-term objectives converge in the development of intermodal transport networks, access to energy resources, trade and investment promotion, educational and cultural programmes. As its main driving force for this trans-frontier project, China settled on Kunming, on the border with Tibet and Myanmar, as the regional platform for strengthening its economic relations with southern Asia.

The subcontinent is one of the least integrated zones on the planet and presents a level of development substantially below that of its eastern neighbours. These new networks, therefore, would provide a kick-start for growth in the region. Similarly


65 SAHOO, Pravakar and BHUNIA, Abhirup, “BCIM Corridor a game changer for South Asian trade”, East Asia Forum, 18 Julio 2014, http://www.eastasiaforum.org/2014/07/18/bcim-corridor-a-
the project is crucial for China in terms of economic strategy. Integration is essential for the development of its southern provinces, the poorest in the country. Aside from facilitating their connectivity with continental Southeast Asia and South Asia, -avoiding having to cross the Strait of Malacca and the South China Sea routes- they would have an additional access to the Indian Ocean, apart from that afforded by Pakistan, a country with which China expects to establish a new economic belt as an extension of BCIM, in which Afghanistan could be included.

In addition to representing a platform for the development of cooperation with India, the reduction of transport costs would multiply trade between the two giants. At the same time, it would facilitate energy security and Beijing is in a position to provide incentives that would generate interest from New Delhi in improving bilateral relations in spite of its growing maritime rivalries, a further reason for its recent support for India's formal admission to the SCO. Nevertheless, as is the case in Southeast Asia, the countries of the subcontinent also have their reservations regarding Beijing's intentions, desiring to maintain independence of action and criteria.

As host of the APEC summit (2014), Xi took advantage of his role to maintain the thrust of these initiatives, insisting on China's central role in the stability and prosperity of the region. In addition to the launch of AIIB, he announced the creation of a Silk Road Fund, with a purse of 40 billion dollars in credits to finance the twin projects. On the other hand, Beijing linked its connectivity initiatives to another, no less ambitious project: a Free Trade Area of the Asia Pacific, FTAAP. China managed to bring about the approval of the 21 APEC members (including the United States) for the proposal, representing a “historic step”. Initially put forward in 2004, the initiative was interpreted as Beijing’s response to the TPP (led by Washington in which the PRC is not a participant), and an aggregation between the latter and the RCEP (with the absence of the United States); but the Chinese plan integrates both spaces.

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Investment in infrastructures, proposals to boost economic integration —apart from FTAAP during the summit Beijing signed APEC bilateral free trade agreements with South Korea and Australia— delivered with vigorous diplomacy, these proposals single out the Chinese leadership as central to regional order. Similar to the message delivered at home, Xi referred to achieving “the Asia-Pacific Dream”, a future of shared progress, development and prosperity with its neighbouring States that maximises Chinese options while reducing the United States’ margins for manoeuvre. 70

CONCLUSIONS

The concepts and initiatives formulated by the Chinese government in relation to its Asian diplomacy in the first two years of its mandate reveal a clear strategic direction, in relation to which certain conclusions can be reached.

Although the 18th Communist Party Congress reiterated in November 2012 that economic development is the central task, continuity of this objective -defined by the current administration as the “Chinese Dream”- is not incompatible with its pursuit through a new diplomatic focus. The transformation of the external environment—especially the “pivot” of the United States- has pushed Xi Jinping into replacing the passive diplomacy of previous governments with another that rejects the status quo. The insistence of this administration in defence of its “core interests” is perhaps the overriding perceptible change in Beijing’s foreign policy.

China has shown that it is prepared to resort to coercive measures to apply pressure on those States that dispute its claims of sovereignty, in an attempt to gradually gain greater de facto control over the terrain, without in any instance provoking military confrontation.

In this way, Asia has become the priority objective of Chinese diplomacy. China’s growing economic connectivity in relation to the fastest-growing region in the world and its concern over the evolution of regional security has prompted Beijing to foment

relations with the States of its periphery. While its focus abroad has been concentrated on Asia since the nineties, it currently extends in all directions, and also includes Central and South Asia.

In spite of its capabilities, China cannot realise its objectives if it faces continued opposition from its neighbours. Its principal challenge is therefore to devise a strategy, which, apart from allowing it to progress in achieving its core interests, pursues a positive long-term relationship with the surrounding nations. Xi Jinping’s response has consisted in looking for convergence between the interests of the periphery and the rise of China. For Beijing to gain credibility it needs to reduce regional concerns over its intentions. In response it has come up with the proposal to create a new security architecture, based on cooperation. To the same end of presenting itself as a responsible major power, Beijing’s message to the Asian States is that they can benefit from Chinese growth, with the development of a web of integration networks.

Together with a firmer stance on territorial claims, this is another core element of its new Asian strategy. With proposals for three economic corridors (the Silk Road with Central Asia, the Maritime Silk Route with Southeast Asia and the Indian Ocean, and BCIM, with Bangladesh, India, Myanmar –with the extension of the bilateral corridor with Pakistan- in southern Asia), Beijing aspires to promoting connectivity with these three sub regions, creating the basis for a more integrated Asia, with China at the centre.\(^{71}\) This structure of economic and security incentives would strengthen dependence on the PRC, making difficult any future confrontation with Beijing.\(^{72}\) China would thus regain the leadership position that it held in Asia towards the middle of the 19th century, establishing a new regional hierarchy in which its status would be recognised by the neighbouring countries.

Thirdly, this strategy incorporates the ambition to build a regional order incompatible with a preeminent position for the United States. The Chinese government has no

\(^{71}\) In the case of northeastern Asia, although it would appear that China intends to minimise Japan’s role in the region, the Korean peninsula also forms part of its strategy of integration, as was explicitly stated in July 2014: “President Xi Jinping Delivers an Important Speech in ROK’s Seoul National University, Stressing that China Will Always Be A Country that Maintains Peace, Promotes Cooperation and is Modest to Learn from Others, and that China Will Create the Future of China-ROK Cooperation and Accomplish Asia’s Revitalization and Prosperity Together with ROK”, Seoul, 4 July 2014, http://www.fmprc.gov.cn/mfa_eng/topics_665678/xjpzxdhjgxsfw/t1172436.shtml (last consultation 16-1-2015). See also HAN Sukhee. “China’s Charm Offensive to Korea: A New Approach to Extend the Strategic Buffer”, The Asan Forum, 13 June 2014, http://www.theasanforum.org/chinas-charm-offensive-to-korea-a-new-approach-to-extend-the-strategic-buffer/ (last consultation 16-1-2015).

intention of directly challenging Washington—a geopolitical division of Asia would seriously prejudice its interests. However, it does wish to reduce strategic pressure from the United States and minimise its influence. In order to mitigate its vulnerability and to give itself greater room for manoeuvre, China deems it necessary to extend its security perimeter, consolidating its continental position in Eurasia and exercise a greater control over its maritime periphery, thus hindering US possibilities of intervention from the East China Sea, the South China Sea or the Yellow Sea (the space delimited by what Beijing calls “the first chain of islands”). Simultaneously, the PRC could indirectly undermine the American position, by attempting to weaken the basic alliances of its regional predominance. If in Japan or in the countries of South East Asia the perception were to gain ground that the United States would not use force against China in defence of its interests, they would be obliged to reconsider their strategic options and perhaps have no other alternative but to adapt to the influence of Beijing.73 By defining the United States’ system of alliances as a relic of the Cold War that needs to be replaced by a new Pan-Asian architecture, and by putting to the test US willingness to defend the territorial claims of its allies, China has revealed a clear determination to modify the rules of interaction in Asia.

It does not appear altogether clear that the PRC can achieve its objectives. Its economic development continues to depend on an open global system that requires a relationship of cooperation with the major powers; while the management of the contradictory forces driving its ambitions (regional stability and greater influence) demands a balance that may be difficult to maintain. By focusing greater attention on the construction of its regional identity, Beijing has turned its efforts towards the integration and connectivity of its periphery, attending to important priorities of the Asian States. But that will not be enough to dispel the doubts these latter may have regarding China’s intentions. All are faced with the same dilemma: how to benefit economically from China without being dragged into its political sphere. Its increased defence costs, the proliferation of bilateral security agreements and the formation of embryonic coalitions are the response to such concerns, revealing the ongoing rearrangement of regional order conditioning China’s freedom of action.74 Beijing’s apparent impatience to get on with modifying the status quo could damage its own interests.

The incompatibility of Chinese ambitions with the American desire to maintain its position in Asia renders inevitable a growing geopolitical rivalry between the two powers. The stability of the region and the future of the international system will

depend on how Washington and Beijing manage the terms of their coexistence over the coming decade.

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