

THE AMERICAN FOREIGN POLICY COUNCIL

Defense Technology Program Brief

February 2015

Washington, D.C.

No. 9

‘Asia for the Asians’: A Foreign Policy Gloss with Little Appeal to Other Asians

By Scott Harold

Briefing Highlights

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China has long imagined that it could influence countries’ decision-making through economic linkages. The assumption underpins many of its efforts at soft power, though it has also sought to shape messages through propaganda.

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China has made it clear that while it will continue to seek to shape its image abroad, this concern comes second to defending the country’s security interests and far-flung territorial claims, as well as ensuring regime survival from ideological challenges.

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Many [countries] have been moving away, not towards, China in a political-military sense, even as they seek to benefit from China’s economic growth.... China’s effort to demand more respect or influence, and to assertively press its claims to disputed territories, has been fueling greater demand for military modernization and foreign policy balancing in the Indo-Asia-Pacific.

At the fourth Conference on Interaction and Confidence Building in Asia in Shanghai in May 2014, and again during a visit to South Korea last July, China’s President Xi Jinping put forward the ‘Asia for Asians’ concept. This proposal for an Asian-led regional economic and security order is not new. During World War II, Japan called for the establishment of a sphere of influence under its control ostensibly to promote the economic and cultural integration of Asian states. Similarly, ‘Asia for the Asians’ is part of Beijing’s effort to establish itself as the preeminent Asia Pacific power. At the 10th Shangri-La dialogue in June 2011, General Liang Guanglie, then China’s Minister of National Defense, called for the building of “regional security architectures that are distinctively Asian.” President Xi Jinping later elaborated on this concept when he said: “It is for the people of Asia to run the affairs of Asia, solve the problems of Asia and uphold the security of Asia.” ‘Asia for the Asians’ can be interpreted in three different ways – as an effort to push the U.S. out of Asia, as a message to neighboring countries, or as a show of strength for domestic consumption. It is likely that all three audiences were considered during the concept’s creation.

Introduction by Joshua Eisenman, AFPC Senior China Fellow and Assistant Professor at the LBJ School of Public Affairs at the University of Texas at Austin

In recent months, Xi Jinping’s China has rolled out a large number of new foreign policy initiatives. Some of these have been economic proposals such as the BRICS Bank; the Asian Infrastructure Investment Bank; the China-Korea and China-Australia free trade agreements; the land and maritime silk road proposals; a massive, albeit not entirely transparent, energy deal with Russia; an increasingly effective effort to promote international trade denominated in the yuan or Renminbi; and an attempt to push ahead with either the Regional Comprehensive Economic Partnership Agreement or the Free Trade Agreement of the Asia-Pacific.

Politically China has sought to repair relations with its neighbors under a late 2013 initiative reemphasizing a ‘good neighbor’ policy, distancing itself from the previous ‘hide and bide’ strategy. However, it has also adopted a new strategy characterized by assertiveness in pursuit of the ‘Chinese dream.’

In the military domain, in recent years China provocatively unveiled a new Air Defense Identification Zone in the East China Sea; erected new land features in disputed waters in the

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DEFENSE TECHNOLOGY PROGRAM BRIEF

South China Sea; repeatedly intruded into Japanese-administered waters around the Senkaku islands; saw its army intrude across the disputed China-India border and engage in multiple standoffs with the Indian army; placed a mobile oil drilling rig in waters hotly disputed by Vietnam; against international law, confronted and sought to push out U.S. naval and airborne surveillance platforms from its Exclusive Economic Zone; tested hypersonic glide vehicles; and continued to carry out cyber-enabled industrial espionage on a massive scale.

All the while it has continued to invest heavily in a robust military modernization program and is enjoying something of a second honeymoon with a newly-revanchist Russia. At the spring 2014 Conference on Confidence-Building in Asia (CICA) in Beijing, President Xi once again decried alliances as a Cold War relic and proposed that Asians should solve Asian problems without the involvement of outside powers. Such comments appear a blatant attempt to deny the U.S. legitimacy as a resident Pacific power and one that a large numbers of regional actors see as their preferred security partner.

Considered together, these maneuvers beg several important questions. What is new about Xi Jinping's 'Asia for the Asians' strategy? Does China's approach to Free Trade Agreements and its Asia Infrastructure Investment Bank initiative pose any threat to the proposed Trans-Pacific Partnership or established multilateral development organizations like the World Bank and Asia Development Bank? How do the land and maritime silk road initiatives fit into Chinese strategy? And is China's strategy likely to succeed?

First, the 'Asia for the Asians' strategy is not likely to succeed, in large measure because many regional powers will see it not as an 'Asia for the Asians' but as an 'Asia for the Chinese.' 'Asia for the Asians' is not so much a strategy as a gloss over China's real strategy. It's an approach China has been pursuing for years: building new Chinese-led multilateral institutions. These include the Shanghai Cooperation Organization; the Bo'ao Forum for Asia (designed as a Chinese version of the Davos World Economic Forum); the AIIB and BRICS banks (which appear intended to be an 'answer' to the

World Bank/International Monetary Fund and Asian Development Bank), the Conference on Interaction and Confidence Building in Asia (CICA), and the Xiangshan Forum (recently elevated to provide a Chinese-dominated counterpart to the Shangri-La Dialogue in Singapore).

In making this assessment, I agree with the analysis of Dr. Joel Wuthnow of the CNA Corporation, who has called Xi Jinping's Conference on Confidence-Building Measures in Asia speech an instance of "strategic rhetoric," not a significant "new security concept."^[1] The speech harkens back to China's Five Principles of Peaceful Coexistence during the 1950s; its call for "three worlds" in the 1970s; its demands in the late 1990's that Asian states dissolve their alliances (which it characterizes as "Cold War relics"); and its "New Security Concept" and recently-proposed "New-Type Great Power Relationship" with the United States.

None of these had a particularly realistic chance of creating the type of order China hoped to see emerge. Few were accompanied by the resources or institutional momentum to provide alternative answers to the problems that led to the creation of today's international security architecture in East Asia. Professor Gil Rozman of Princeton has noted that Xi's vision and that of Russia's Vladimir Putin share a substantial reverence for communist legacies and put Sino/Russo-centrism at the core of regime-sustaining strategies that would appear to be driven in large part by domestic regime needs.

For this reason, they are unlikely to hold much appeal to broader audiences who prefer to be treated as equals. They therefore adopt vague phrasings like 'Asia for the Asians' but fail to translate these into practical, on-the-ground initiatives.^[2] If anything, as Takagi Seiichiro of the Japan Institute for International Affairs has argued, Xi's 'New Asian Security Concept' articulated in his CICA speech "makes one wonder if China has completely departed" from the diplomatic approach of a "generally accommodative" foreign policy.^[3]

One reason we should pay attention to these initiatives may be for what they tell us about what's happening inside the Chinese regime. To a domestic audience, the

ASIA FOR THE ASIANS

initiatives outlined above have showcased Xi Jinping as a strong, nationalistic leader at a time when he is fighting the legacy influence of Jiang Zemin and other rival centers of power for control over the party, state, military, security, intelligence, judicial, and public sector enterprise apparatuses.

Xi has created a new National Security Council; prosecuted regionally-popular Politburo member Bo Xilai; arrested former security czar Zhou Yongkang; taken down his predecessor's chief of staff, Ling Jihua; hauled ex-Vice Central Military Commission Chairman Xu Caihou out of a PLA hospital where he was on his deathbed to kick him out of the Party; purged top figures in the Ministry of State Security; announced that he would go after even bigger 'tigers' than Zhou Yongkang (a hint that Jiang Zemin might be next?); and attacked corruption in the PLA and the media. In order to defend his left flank, it pays for Xi to be an absolute hardliner on foreign policy so as not to give his factional rivals in the security establishment an opening on which to attack him.

With respect to China's initiatives in the economic domain, they are largely designed to preserve Chinese influence in the Indo-Asia-Pacific by tying foreign markets and production chains as much as possible to China and the Chinese market. While this is the aim, the Regional Comprehensive Economic Partnership (RCEP) and Asian Infrastructure Investment Bank (AIIB), two potential key components, have not been finalized; the China-South Korea FTA is not yet inked; and it is unclear when or if China's economic growth will ever return to the levels of the preceding 20 plus years. The days when Australia boomed on the back of Chinese demand for its resources may be a thing of the past.

With respect to the AIIB's challenge to existing international financial institutions, we don't yet know what the lending standards will be and how they will compare to global lending standards designed to support good governance. The World Bank and Asian Development Bank could benefit from the AIIB if it is designed to be complementary rather than competitive, and my understanding is that this is and should be the

focus of US and allied efforts. They should ensure that the AIIB, which is responding to a real need in parts of Asia for infrastructure investment, in fact supports and sustains global good governance norms.

Regarding China's promotion of the RMB as an international reserve currency, I suspect that China will first have to achieve full current and capital account convertibility and would have to be running massive trade deficits in order for the RMB to become a true reserve currency. It is worth noting that doing so would put substantial control in foreign hands: if the currency was globally available and convertible it could fuel a run/devaluation that would be uncontrollable by the PRC's central bankers, something Beijing has appeared uneasy with ever since the 1997 Asian financial crisis.

China has long imagined that it could influence countries' decision-making through economic linkages. The assumption underpins many of its efforts at soft power, though it has also sought to shape messages through propaganda. In recent years it has established China Daily inserts into foreign media such as the Washington Post, CCTV International, and the construction of an extensive network of Confucius Institutes. It has also been attempting to shape international opinion on topics like Falun Gong, Tibet, Xinjiang, democracy, Hong Kong, Macau, and Taiwan and thereby shape or even control outcomes, something that the Chinese Communist Party refers to as 'public opinion warfare.'

Yet these approaches have clearly been unsuccessful in transforming many countries' basic assessments about the challenges an authoritarian and revisionist China poses for their interests. Moreover, China has made it clear that while it will continue to seek to shape its image abroad, this concern comes second to defending the country's security interests and far-flung territorial claims, as well as ensuring regime survival from ideological challenges.

Finally, I want to address the question of whether or not China's treatment of foreign firms in China reflects an "Asia for the Asians" approach and whether or not China is likely to succeed in its overall strategy to ensure its rise translates into expanding international influence.

DEFENSE TECHNOLOGY PROGRAM BRIEF

Clearly, China's treatment of foreign businesses represents less an "Asia for the Asians" strategy as a "China for the Chinese SOE's" approach, with Chinese firms growing behind high protective walls that shield them from international competition. When foreign competitors come to invest in China, they are routinely told that they have to do so through joint ventures, and often find that they still face discrimination. Such an approach reflects both the tremendous degree of state influence by powerful vested interests (often with connections to leading Chinese Communist Party families), but also a persistent ideological orientation that defines national interests in terms of autonomy, indigenous development, a strong suspicion of all things foreign, and a desire to avoid any perceived dependency on outsiders.

I will close by making the obvious but nonetheless important point that all the other Asian countries get a vote in the question of whether or not to buy into a regional order that places China at the center. To date, many have been moving away, not towards, China in a political-military sense, even as they seek to benefit from China's economic growth. There has been substantial anxiety about economic dependency on China in countries ranging from Myanmar to Australia, Vietnam to Taiwan, and Japan to North Korea. China's effort to demand more respect or influence, and to assertively press its claims to disputed territories, has been fueling greater demand for military modernization and foreign policy balancing in the Indo-Asia-Pacific in recent years.

Ironically, this has produced a more welcome reception for the Obama administration's rebalance, a greater regional role being played by Japan, a more proactive and regionally-minded posture from Australia and an India that doesn't just "Look East" but "Acts East." Ultimately, like many Americans, a lot of Asians likely perceive China's new initiative as little more than "Asia for China," and that is something they are unlikely to accept.

Endnotes

- [1] Joel Wuthnow, "What to Make of Xi Jinping's Vision for Asian Security?" The Asan Forum, August 11, 2014.
- [2] Gil Rozman, "Asia for the Asians: Why Chinese-Russian Friendship is Here to Stay," Foreign Affairs, October 29, 2014.
- [3] Takagi Seichiro, "Xi Jinping's New Asian Security Concept," AJISS-Commentary, August 27, 2014.

ASIA FOR THE ASIANS

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